

BEFORE THE LANAI PLANNING COMMISSION

COUNTY OF MAUI

STATE OF HAWAII

In the Matter of the Applications of

LANAI RESORTS LLC, A HAWAII LIMITED
LIABILITY COMPANY DOING BUSINESS AS
PŪLAMA LĀNA'I

Miki Basin Industrial Park

To Obtain a Change of Zoning and a County
Special Use Permit for the Miki Basin Industrial
Park Project Located on Approximately 200
acres of Land identified as Maui Tax Map Key
No. (2)4-9-002:061(por.); Lāna'i, Hawai'i

DOCKET NO. ZPA2022-00005
DOCKET NO. CSUP2023-00002

(K. Wollenhaupt)

DEPARTMENT OF PLANNING
REPORT AND RECOMMENDATION
AUGUST 16, 2023 MEETING

DEPARTMENT OF PLANNING
COUNTY OF MAUI
2200 MAIN STREET, SUITE 315
WAILUKU, MAUI, HI. 96793

CP Change of Zoning/General Plan Amendments/DBA

CP County Special Use Permit

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DESCRIPTION OF THE PROJECT

This matter arises from applications for a Change of Zoning (CIZ) from primarily "Agricultural" zoned land with a small portion of "Interim" zoned land to "M-1, Light Industrial" and "M-2, Heavy Industrial" zoning, along with a County Special Use Permit (CSUP). The applications were filed by Munekiyo Hiraga (Consultant) on behalf of Lāna'i Resorts LLC, a Hawai'i limited liability company doing business as Pūlama Lāna'i (Applicant). The total project valuation is \$78,800,000.

The proposed Miki Basin Industrial Park is to be located at Miki Road, Lāna'i, Hawai'i on 200 acres of land. The proposed project will consist of 20 acres for infrastructure purposes (10 percent of the project area, which will be used for roads, common areas, and other related uses); 127 acres for renewable energy projects (e.g., photovoltaic plus battery energy storage); 14.5 acres for the relocation of an existing concrete recycling and rock crushing operation (and for the storage and stockpiling of aggregate and construction materials); 12.5 acres for the relocation of an existing asphalt plant; and 26 acres for new industrial uses. The CSUP has been prepared and submitted for the asphalt plant and rock crushing facilities which are identified special uses within the proposed "M-2, Heavy Industrial" zoning district. Possible new future industrial uses include a slaughterhouse, warehouse space for cold storage, laboratory/testing facilities, niche product development, automotive services, multi-media facility, animal hospital, and other industrial uses allowed under "M-1, Light Industrial" and "M-2, Heavy Industrial" zoning. The number of parking spaces to be provided will be determined based on specific uses and will be in compliance with parking requirements established by Maui County Code, MCC, Chapter 19.36B.

Eighty-seven percent of the land area (174 acres) is planned to be developed within five years of securing all entitlements and ministerial permits. The remaining 13 percent (26 acres) are set aside for new industrial uses. The new industrial uses will be implemented throughout the

duration of the project (over a period of 20 years); however, may begin within the first 10 years.

As a Special Use in the “M-2, Heavy Industrial” zoning district, the relocated asphalt plant will be on a 12.5-acre site. The plant and its aggregate stockpiles cover approximately 79,000 square feet (sf.). Portable restrooms and an office trailer are also planned for the site.

As an additional Special Use in the “M-2, Heavy Industrial” zoning district, the rock and concrete crushing operation will be located on a 14.5-acre site. The operation includes a 700 sf. scale house and 16,400 sf. of crushing equipment. Other permitted uses on the M-2 Heavy Industrial 14.5-acre site include a concrete batch plant, cement silo storage, aggregate stockpiles and concrete washout pit, which will cover approximately 25,000 sf. An office trailer, portable restrooms and water tank will also be located on the site.

It is estimated that up to 25 employees will work at the crushing, concrete batching and asphalt batching operations. Hours of operation will be from 7:00 a.m. to 3:30 p.m.

The renewable energy project will be located on a 127-acre site. Facilities and equipment may include, but are not limited to, photovoltaic panels, battery energy storage systems, substation structures, control equipment enclosure cabinets, circuit breakers, transformers, relays, switches, arresters, telecommunication equipment and security equipment. The Decision & Order from the State Land Use Commission’s (LUC) District Boundary Amendment proceedings, stated that these 127 acres within the project area that have been planned for renewable energy will only be used for the technology of photovoltaic and battery energy storage.

Other industrial uses are planned for the remaining 26 acres. While the specific uses have not been identified at this time, possible new future industrial uses may include a slaughterhouse, warehouse space for cold storage, animal hospital, and other industrial uses allowed under “M-1, Light Industrial” and “M-2, Heavy Industrial” zoning.

The proposed Miki Basin Industrial Park will provide industrial land on Lāna‘i and an industrial park. Currently, vacant industrial land (according to the Applicant) is not available on the island. The project will provide space for the relocation and/or expansion of existing industrial activities on Lāna‘i, land and warehouses for storing goods and equipment, and land and buildings to accommodate industrial activities existing and new to Lāna‘i. Readily available industrial land can be important for a business to take immediate advantage of any new economic opportunities which may arise.

According to the Market Assessment prepared for the project, pent-up demand for industrial land and industrial space to accommodate “typical industrial activities” (i.e., manufacturing, warehouses, base yards, etc.) is readily apparent on Lāna‘i. See Final Environmental Assessment (Final EA), Appendix “A”, Market Assessment for this study. See Final EA in digital link at:

https://files.hawaii.gov/dbedt/erp/Doc_Library/2022-03-08-LA-FEA-Miki-Basin-Industrial-Park.pdf or by a link on the Commission agenda.

Many businesses in Lāna‘i City are operated from homes, partly because of the dearth of industrial parks on Lāna‘i that are available to serve small scale tenants. Yards and rooms are used for operations and to store equipment and supplies. In some cases, inadequate space may be limiting local companies’ ability to expand. For some of these businesses, an industrial park

may be a more suitable location because of more space, visual impacts, noise, odors, dusts, etc. Many of these home businesses provide a second source of income for workers employed elsewhere on Lānaʻi. If industrial space were available, some business owners might opt to expand their companies into full-time operations. In other cases, businesses are operated from vans and residences, and some might benefit from a permanent location in an industrial park. In addition, some industrial activities may fail to develop on Lānaʻi due to a lack of a suitable location.

Parking

The preliminary site plan shows 50 parking spaces for all uses on the property. Final parking requirements will be determined during the building permit process in accordance with Chapter 19.36B, Maui County Code.

See **Exhibit 1**, for a Location Maps, **Exhibit 2** for Site Photographs, **Exhibit 3** for Conceptual Master Plan, and **Exhibit 4** for Project Plans.

BRIEF HISTORY OF APPLICATIONS

The majority of the project site is vacant and fallow agricultural land. An approximately 14.5-acre interim industrial use for the concrete crushing facility has been established for a portion of the project area that borders the western side of the Miki Basin Industrial Condominium. The Applicant applied and was approved for a Land Use Commission Special Permit (SUP2 2021-0008) for the 14.5-acre area in March 2022, with a duration of five years. Should this application for a CIZ and CSUP be approved, the need for the SUP2 will disappear as the concrete crushing facility will then be considered a Special Use in the “M-2, Heavy Industrial” zoning district.

During the Lānaʻi Community Plan process, the proposed 200-acre industrial site was publicly discussed at ten Lānaʻi Community Plan Advisory Council meetings, four Lānaʻi Planning Commission (LPC) meetings, and three Maui County Council meetings as part of an update to the Lānaʻi Community Plan. A public community meeting was also held on Lānaʻi on October 22, 2018. The project was explained, and questions were asked and answered.

A Draft Environmental Assessment (Draft EA) for the Miki Basin Industrial Park was previously published on November 23, 2019. Because additional details became available on the proposed action and technical studies were updated, a 2nd Draft EA was published on November 23, 2021. Consultation conducted during the preparation of the November 23, 2019 Draft EA and comments received on that previously published Draft EA informed the preparation of the 2nd Draft EA.

The 2nd Draft EA consultation included a public hearing before the LPC on December 15, 2021. The LPC requested additional information regarding the project, which was addressed in the FEA and response letter to the LPC.

The Final EA was prepared and submitted to the State of Hawaiʻi, LUC for a public hearing on February 16, 2022. The LUC determined that the Final EA was acceptable and issued a Finding of No Significant Impact by letter to the State Environmental Review Program on February 25, 2022.

The acceptance of the Final EA set the stage for review by the LUC of the Petition to amend the agriculture land use district boundary into the urban land use district boundary for the

200 acres of land. The Petition was filed with the LUC on June 7, 2022.

On November 16, 2022, the LUC held an in-person hearing on the Miki Basin Industrial Park. No oral or written testimony was presented by the public. At this meeting the Office of Planning and Sustainable Development (OPSD) and the County confirmed with the LUC that they would review the Petitioner's Findings of Fact, Conclusions of Law Decision and Order.

On November 21, 2022, the proposed Decision and Order was served by the Petitioner to the County and OPSD.

On February 8, 2023, the LUC heard closing arguments and approved the reclassification of 200 acres from agricultural district to urban district for an industrial park and other uses at Miki Basin (A19-809) with 21 conditions. See **Exhibit 5** for the Decision & Order for Docket A19-809, which was approved on March 28, 2023.

DESCRIPTION OF THE PROPERTY

1. The Property, which is approximately 200 acres, is located on Miki Road, Lāna'i, Hawai'i at Maui Tax Map Key No. (2)4-9-002:061(por.); 3.2 miles southwest of Lāna'i City off of Kaumālapa'u Highway and south of Lāna'i Airport.
2. Land Use Designations --
 - a. State Land Use District -- The project site is located within the State Urban District. The proposed uses are consistent with the Urban designation of the property.
 - b. Maui Island Plan -- Not Applicable
 - c. Lanai Community Plan -- The Lāna'i Community Plan was adopted by the County of Maui through Ordinance No. 4343 which took effect on July 26, 2016. Land use guidelines are set forth by the Lāna'i Community Plan Land Use Map. The project site is designated as "Light Industrial" and "Heavy Industrial" by the Community Plan. The proposed project is consistent with the Community Plan land use designations.
 - d. County Zoning -- The project site is zoned "Agricultural", with a small portion zoned "Interim" by County Zoning. The Applicant is seeking a CIZ to "M-1, Light Industrial" and "M-2, Heavy Industrial" designations, to bring consistency with the Lāna'i Community Plan. Pūlama Lāna'i will work with Maui County in establishing the allowable uses in the Miki Basin Industrial Park from the overall permitted uses allowed by zoning commonly referred to as 'conditional zoning'. The Miki Basin Industrial Park will focus on Light and Heavy Industrial uses, including renewable energy uses, an asphalt plant, a concrete recycling and rock crushing operation,

and materials storage and stockpiling of aggregate and construction materials. "Special Uses" permitted in "M-2, Heavy Industrial" zoning include asphalt manufacture, cement, lime, gypsum, or plaster of paris manufacture, and rock, sand, gravel, or earth excavation, crushing or distribution. As such, a CSUP has been filed for the asphalt plant and for rock crushing facilities.

e. Other -- N/A

3. Surrounding Uses --

North --	Fallow agricultural land and Kaumālapa'u Highway
East --	Fallow agricultural land
South --	Fallow agricultural land
West --	Lāna'i Airport and fallow agricultural land
Adjacent --	Hawaiian Electric Company Generating Station and Miki Basin Industrial Condominium

4. The project area is situated on gently to moderately sloping lands with an average slope of five percent to the southeast with elevations of 1,361 ft. above mean sea level to approximately 1,180 feet above mean sea level in the southeastern portion of the project area. The lands were formerly part of a large pineapple plantation. These lands have lain fallow since the plantation closed in 1992, and are now overgrown with a dense cover of grassland and shrubs.

Soils consist of three series characterized as clay loam (WRA, 0 to 3 percent slopes), Molokai silty clay loam (MuA, 0 to 3 percent slopes; MuB, 3 to 7 percent slopes; MuC, 7 to 15 percent slopes) and Uwala silty clay loam (UwB, 2 to 7 percent slopes; UwC, 7 to 15 percent slopes), which are all variants of deep, well-drained soils of the upland plateau of Lāna'i (U.S. Department of Agriculture (USDA), 1972).

Although historical evidence suggests the existence of perennial streams, no surface water resources currently exist in this area. There are also no wetlands located on or in the immediate vicinity of the proposed project site (*County of Maui, Department of Water Supply, 2011*).

A terrestrial vegetation and wildlife study of the project area was completed. No State or federally listed threatened or endangered species or rare native Hawaiian plant species were observed within the project area, and the area is not designated as a critical habitat for any species. Historically, the vegetation of Lāna'i has been impacted by grazing and commercial pineapple cultivation. The vegetation in the project area is dominated by hardy, invasive non-native species. Of the 39 plant species observed, three are native to the Hawaiian Islands. 'Ilima (*Sida fallax*), 'uhaloa (*Waltheria indica*) and 'a'ali'i (*Dodonaea viscosa*) and are common native plants documented in small numbers in the project area.

As stated previously, the majority of the project site is vacant and fallow agricultural land. An approximately 14.5-acre interim industrial use approved by Special Permit by the LPC in March

of 2022 for the concrete crushing facility has been established for a portion of the project area that borders the western side of the Miki Basin Industrial Condominium.

APPLICABLE REGULATIONS FOR A CHANGE IN ZONING

Pursuant to Title 19, Chapter 19.510, General Application Procedures, Section 19.510.010(C), the Planning Director has determined that the application and Department Report meets the requirements of Section 19.510.010(D).

Pursuant to Title 19, Chapter 19.510, Section 19.510.040 Change of Zoning of the Maui County Code, the appropriate planning commission shall hold a public hearing on all applications for zoning changes and make a recommendation to the County Council. The County Council may grant a change of zoning if all the following criteria are met:

- 1. The proposed request meets the intent of the general plan and the objectives and policies of the community plans of the county;*
- 2. The proposed request is consistent with the applicable community plan land use map of the county;*
- 3. The proposed request meets the intent and purpose of the district being requested;*
- 4. The application, if granted, would not adversely affect or interfere with public or private schools, parks, playgrounds, water systems, sewage and solid waste disposal, drainage, roadway and transportation systems, or other public requirements, conveniences and improvements;*
- 5. The application, if granted, would not adversely impact the social, cultural, economic, environmental, and ecological character and quality of the surrounding area; and*
- 6. If the application change in zoning involves the establishment of an agricultural district with a minimum lot size of two acres, an agricultural feasibility study shall be required and reviewed by the Department of Agriculture and the United States Soil and Conservation Service.*

In the case in which the owners or lessees of forty percent or more of the land located within a five-hundred-foot distance from the boundaries of the subject parcel have filed written protests, the ordinance which grants the application shall not become effective unless approved by a vote of seven members of the County Council.

Pursuant to Title 19, Chapter 19.510, Section 19.510.050 Conditional zoning of the Maui County Code, the County Council may impose conditions upon the applicant's use of the property. The conditions shall be imposed if the Council finds them necessary to prevent circumstances which may be adverse to the public health, safety and welfare. The conditions shall be reasonably conceived to mitigate the impacts emanating from the proposed land and shall meet the following criteria:

- 1. That the public shall be protected from the potentially deleterious effects of the proposed use; and*

2. *That the need for public services created by the proposed use shall be fulfilled.*

APPLICABLE REGULATIONS FOR A COUNTY SPECIAL USE PERMIT

M-2 Heavy Industrial Districts

Within the M-2 Heavy Industrial District a special permit may be granted pursuant to Title 19, Chapter 19.26 M-2 Heavy Industrial District, Section 19.26.020 Use regulations, Subsection 28; Maui County Code, 1980, as amended.

Pursuant to Section 19.510.070 Special use permits of the Maui County Code, a special use permit shall comply with the criteria established for a permit and the policies and objectives of the general plan and community plans of the county, the Hawaii revised statutes, and the revised charter of the county.

A special use permit may be granted by the appropriate planning commission provided the following criteria have been met:

1. *The proposed request meets the intent of the general plan, and the objectives and policies of the applicable community plan of the county;*
2. *The proposed request is consistent with the applicable community plan land use map of the county;*
3. *The proposed request meets the intent and purpose of the applicable district;*
4. *The proposed development will not adversely affect or interfere with public or private schools, parks, playgrounds, water systems, sewage and solid waste disposal, drainage, roadway and transportation systems, or other public requirements, conveniences, and improvements;*
5. *The proposed development will not adversely impact the social, cultural, economic, environmental, and ecological character and quality of the area;*
6. *That the public shall be protected from the deleterious effects of the proposed use; and,*
7. *That the need for public service demands created by the proposed use shall be fulfilled.*
8. *If the use is located in the state agricultural and rural district, the commission shall review whether the use complies with the guidelines established in section 15-15-95 of the state rules of the land use commission of the State.*

PROCEDURAL MATTERS

1. On October 7, 2022, and April 27, 2023, the applicant mailed a "Notice of Application" for the CIZ and CSUP applications respectively to all owners and recorded lessees within 500 ft. of the subject property notifying them of the applicant's intent to file the applications with the County of Maui. Copies of the "Notices of Application" are on file in the Maui Planning Department.

2. On July 10, 2023, the Maui County Planning Department mailed a notice to the applicant and appropriate state and county agencies notifying them of the scheduled public hearing.

3. On July 10, 2023, the applicant mailed a letter of notification and location map to all owners and recorded lessees within 500 ft. of the subject property describing the applications and notifying them of the scheduled hearing date, time and place by either certified or registered mail receipt (return receipt requested for land use amendments). Copies of the letter, location map, list of owners and recorded lessees, certified and registered mail receipts and return receipts (if required) are on file in the Planning Department. See **Exhibit 6** for the Notice of Public Hearing.

4. On July 14, 2023, a notice of hearing on the applications was published in the Maui News by the Maui County Planning Department.

5. On July 21, July 28, and August 4, 2023, the applicant published a Notice and location map in the Maui News once a week for three consecutive weeks prior to the date of the hearing.

6. The subject applications trigger compliance to Chapter 343, Hawaii Revised Statutes, relating to Environmental Impact Statements.

Pursuant to Chapter 343, Hawaii Revised Statutes, relating to Environmental Impact Statements, a Findings of No Significant Impact (FONSI) was issued by the State of Hawaii Land Use Commission and filed with the Environmental Review Program. The FONSI was published on March 8, 2022, in the Environmental Notice. The deadline for filing of an appeal was on April 22, 2022. No appeals were filed.

REVIEWING AGENCIES

Federal Agencies:	Comment	Exhibit Number
Federal Aviation Administration	No Response	

State Agencies:	Comment	Exhibit Number
Department of Accounting and General Services on 12/2/22	Yes	7
Applicant's Response on 1/13/23	Yes	7a
Department of Land and Natural Resources, Division of Forestry and Wildlife on 12/13/22	Yes	8
Applicant's Response on 1/13/23	Yes	8a
Department of Education, Office of Facilities and Operations, Facilities Development Branch, Planning Section on 11/15/22	Yes	9
Applicant's Response on 1/13/23	Yes	9a
Office of Planning and Sustainable Development on 11/22/22	Yes	10
Applicant's Response on 1/13/23	Yes	10a
Department of Transportation, Airports Division and Highways Division on 12/12/22	Yes	11
Applicant's Response on 1/13/23	Yes	11a
Office of Hawaiian Affairs	No Response	

State Agencies:	Comment	Exhibit Number
Department of Land and Natural Resources, State Historic Preservation Division – Archaeology	Yes	12
Department of Agriculture	No Response	
Department of Business, Economic Development and Tourism	No Response	

County Agencies:	Comment	Exhibit Number
Department of Fire & Public Safety on 12/12/22	Yes	13
Applicant's Response on 1/13/23	Yes	13a
Department of Public Works	No Response	
Department of Finance, Real Property Division	No Response	
Department of Water Supply	No Response	
Maui Emergency Management Agency	No	
Department of Parks and Recreation	No	
Department of Environmental Management, Solid Waste	No	
Department of Environmental Management, Wastewater	No	

ANALYSIS

LAND USE

1. The proposed project is in conformance with the goals, objectives and policies of the Hawaii State Plan. It will provide additional opportunities for employment and economic growth.
2. The subject property is in the State Urban District. The proposed uses are consistent with the Urban designation of the property recently granted by the LUC in Docket No. A19-809 on February 8, 2023 and approved in the issuance of the Decision & Order on March 28, 2023.
3. As stated in the Maui County Charter, as amended in 2002:

The General Plan shall indicate desired population and physical development patterns for each island and region within the county; shall address the unique problems and needs of each island and region; shall explain the opportunities and the social, economic, and environmental consequences related to potential developments; and shall set forth the desired sequence, patterns, and characteristics of future developments. The general plan shall identify objectives to be achieved, and priorities, policies, and implementing actions to be pursued with respect to population density, land use maps, land use regulations, transportation systems, public and community facility locations, water and sewage systems, visitor destinations, urban design, and other matters related to development.

The County of Maui 2030 General Plan Countywide Policy Plan, adopted by the Maui County Council on March 19, 2010, is the first component of the decennial General Plan update.

The Countywide Policy Plan replaces the General Plan as adopted in 1990 and amended in 2002. The Countywide Policy Plan acts as an over-arching values statement and umbrella policy document for the Maui Island Plan and the nine Community Plans that provides broad goals, objectives, policies, and implementing actions that portray the desired direction of the County's future. The plan includes:

1. A vision statement and core values for the County to the year 2030
2. An explanation of the plan-making process
3. A description and background information regarding Maui County today
4. Identification of guiding principles
5. A list of countywide goals, objectives, policies, and implementing actions related to the following core themes:
 - A. Protect the Natural Environment
 - B. Preserve Local Cultures and Traditions
 - C. Improve Education
 - D. Strengthen Social and Healthcare Services
 - E. Expand Housing Opportunities for Residents
 - F. Strengthen the Local Economy
 - G. Improve Parks and Public Facilities
 - H. Diversify Transportation Options
 - I. Improve Physical Infrastructure
 - J. Promote Sustainable Land Use and Growth Management
 - K. Strive for Good Governance
 - L. Mitigate Climate Change and Work Toward Resilience

The following Countywide Policy Plan goals, objectives, policies, and/or Implementing Actions are relevant to the proposed Miki Basin Industrial Park project;

THEME: Protect the Natural Environment

GOAL: Maui County's natural environment and distinctive open spaces will be preserved, managed, and cared for in perpetuity.

Objective:

- (3) Improve the stewardship of the natural environment.

Policies, Implementing Actions, or Other:

Policies:

- (c) Evaluate development to assess potential short-term and long-term impacts on land, air, aquatic, and marine environments

* * *

- (l) Educate the construction and landscape industries and property owners about the use of best management practices to prevent erosion and nonpoint source pollution

Implementing Action:

- (a) Document, record, and monitor existing conditions, populations, and locations of flora and fauna communities

Relevance:

The Final Environmental Assessment (EA) prepared for the project evaluated the potential short-term and long-term impacts of the proposed action on the environment. The Final EA included a Flora and Fauna Survey that documents and records existing conditions at the subject property.

THEME: Strengthen the Local Economy

GOAL: Maui County's economy will be diverse, sustainable, and supportive of community values.

Objective:

- (4) Expand economic sectors that increase living-wage job choices and are compatible with community values.

Policies, Implementing Actions, or Other:

Policy:

- (a) Support emerging industries, including the following:
- Health and wellness industry;
 - Sports and recreation industry;
 - Film and entertainment industry;
 - Arts and culture industry;
 - Renewable-energy industry;
 - Research and development industry;
 - High-technology and knowledge-based industries;
 - Education and training industry;
 - Ecotourism industry; and
 - Agritourism industry.

Relevance:

The proposed action does have a direct relationship to the objective to

expand economic sectors that increase living-wage job choices compatible with community values. The proposed action is envisioned to incorporate renewable energy, developments, and operating spaces involved in other emerging industries.

THEME: Improve Physical Infrastructure

GOAL: Maui County's physical infrastructure will be maintained in optimum condition and will provide for and effectively serve the needs of the County through clean and sustainable technologies.

Objective:

- (3) Design all developments to be in harmony with the environment and to protect each community's sense of place.

Policies, Implementing Actions, or Other:

Policy:

- (h) Ensure better connectivity and linkages between land uses.

Relevance:

The proposed action is directly related to this objective as it will provide an opportunity for similar industrial uses to co-locate in an area specifically designated for industrial use by the 2016 Lāna'i Community Plan. Building the industrial park will allow existing industrial facilities currently scattered in business and residential area in Lāna'i City to relocate to more appropriate locations having the infrastructure and buffers necessary for industrial uses.

THEME: Improve Physical Infrastructure

GOAL: Maui County's physical infrastructure will be maintained in optimum condition and will provide for and effectively serve the needs of the County through clean and sustainable technologies.

Objective:

- (3) Significantly increase the use of renewable and green technologies to promote energy efficiency and energy self-sufficiency.

Policies, Implementing Actions, or Other:

Policies:

- (a) Promote the use of locally renewable energy sources, and reward energy efficiency.

* * *

- (d) Encourage small-scale energy generation that utilizes wind, sun, water, biowaste, and other renewable sources of energy.
- (e) Expand renewable-energy production.

Relevance:

The land use plan envisioned for the project area includes 127 acres for renewable energy, which advances the objective of energy self-sufficiency.

THEME: Promote Sustainable Land Use and Growth Management

GOAL: Community character, lifestyles, economies, and natural assets will be preserved by managing growth and using land in a sustainable manner.

Objective:

- (1) Improve land use management and implement a directed-growth strategy.

Policies, Implementing Actions, or Other:

Policies:

- (b) Direct urban and rural growth to designated areas

* * *

- (h) Direct new development in and around communities with existing infrastructure and service capacity, and protect natural, scenic, shoreline, and cultural resources

* * *

- (h) Ensure better connectivity and linkages between land uses.

Relevance:

The proposed project directly supports the goal for managed growth, as the action is proposed within an area designated for industrial uses by the 2016 Lānaʻi Community Plan. In this connection, the proposed action has a relationship to the policy of directing development in and around communities having infrastructure service potential, and ensuring connectivity and linkages between land uses.

THEME: Strive for Good Governance

GOAL: Strengthen governmental planning, coordination, consensus building, and decision making.

Objective:

- (2) Promote civic engagement

Policies, Implementing Actions, or Other:

Policies:

- (a) Foster consensus building through in-depth, innovative, and accessible public participatory processes
- (b) Promote and ensure public participation and equal access to government among all citizens

* * *

- (g) Expand opportunities for all members of the public to participate in public meetings and forums.

Implementing Action:

- (d) Develop a project-review process that mandates early and ongoing consultation in and with communities affected by planning and land use activities.

Relevance:

The proposed action promotes civic engagement through the Chapter 343, HRS, Environmental Assessment (EA) and land use entitlements processes. Public participation is promoted through review process for the Draft EA and land use applications, as well as through the Lānaʻi Planning Commission proceedings. Additionally, the applicant has undertaken a community outreach process designed to inform nearby residents and the larger community of the proposed project. Collectively, the foregoing processes support community-based decision-making.

THEME: Mitigate Climate Change and Work Toward Resilience

GOAL: Minimize the causes and negative effects of climate change.

Objective:

- (3) Significantly increase the use of renewable and green technologies to promote energy efficiency and energy self-sufficiency.

Policies, Implementing Actions, or Other:

Policies:

- (e) Expand renewable-energy production.

* * *

- (i) Promote the retrofitting of existing buildings and new development to incorporate energy-saving design concepts and devices.

* * *

- (K) Reduce Maui County's dependence on fossil fuels and energy imports.
- (l) Support green building practices such as the construction of buildings that aim to minimize carbon dioxide production, produce renewable energy, and recycle water.

Relevance:

The project directly supports the objective of significantly increasing the use of renewable and green technologies to promote energy efficiency and energy self-sufficiency, with 127 acres proposed for renewable energy use that will reduce the island's dependence on fossil fuels.

- 4. The Lāna'i Community Plan was adopted by the County of Maui through Ordinance No. 4343 which took effect on July 26, 2016. Land use guidelines are set forth by the Lāna'i Community Plan Land Use Map. The project site is designated as "Light Industrial" and "Heavy Industrial" by the Community Plan. The proposed project is consistent with the Community Plan land use designations. and is consistent with the land use map of the Community Plan.

The following Community Plan subjects, goals, objectives, policies, and implementing actions are relevant to the proposed action:

SUBJECT: HAZARD MITIGATION

GOAL: Lana'i will be prepared for natural disasters.

Objective:

- 3. Encourage economic diversity, environmental health, infrastructure, maintenance, and hazard preparedness to improve the community's resiliency.

Policies or Implementing Actions:

Relevance, or Other:

Relevance:

The proposed Miki Basin Industrial Park will include 127 acres for renewable energy projects (e.g., photovoltaic plus battery energy storage),

which will improve the overall resiliency and sustainability of Lāna'i. The planned increase in renewable energy projects will also reduce the island's reliance on fossil fuel, currently imported from off-island and used to generate electricity by Hawaiian Electric Company.

SUBJECT: CULTURAL, HISTORIC, AND SCENIC RESOURCES

GOAL: Lāna'i's diverse cultural, archaeological, and historic resources and practices, and scenic resources will be protected for future generations.

Objective:

9. Require developments to mitigate their impacts on historic, cultural, natural, and scenic resources.

Policies or Implementing Actions:

Relevance, or Other:

Relevance:

The proposed project has been designed so as to not impede scenic views from upland areas. An AIS has been prepared and accepted by the SHPD. The project is not anticipated to have an impact on native Hawaiian traditional and cultural practices. The Applicant will abide by the recommendations and requirements from the SHPD.

SUBJECT: ECONOMIC DEVELOPMENT

GOAL: A stable, sustainable, and diverse economy that is consistent and compatible with Lana i's rural island lifestyle.

Policies or Implementing Actions:

Policy:

1. Support diversification of Lana'i's economy.

Relevance, or Other:

Relevance:

While much of Lāna'i's economy relies on the visitor industry, the proposed Miki Basin Industrial Park will include 127 acres for renewable energy projects (e.g., Photovoltaic plus battery energy storage) and 26 acres for new industrial uses allowed under Maui County Code "M-1, Light Industrial" and "M-2, Heavy Industrial" zoning. While the specific uses have not been identified at this time, possible new future industrial uses may include a slaughterhouse, warehouse space for cold storage, animal hospital or other uses.

SUBJECT: ECONOMIC DEVELOPMENT

GOAL: A stable, sustainable, and diverse economy that is consistent and compatible with Lanai's rural island lifestyle.

Policies or Implementing Actions:

Policy:

8. Encourage and support lease and fee simple land ownership options for residential commercial, and industrial properties.

Relevance, or Other:

Relevance:

The Applicant may lease land within the Miki Basin Industrial Park for individuals to pursue industrial operations and businesses. The Applicant will, when applicable, develop the major common infrastructure, such as roads and electric and water utility lines, to support the industrial park, while individual users will be responsible for vertical development on their particular properties and for compliance with applicable regulatory requirements associated with their individual developments.

SUBJECT: INFRASTRUCTURE AND UTILITIES (ENERGY)

GOAL: Increase the proportion of electricity that is generated from renewable sources to reduce electricity costs and Lana'i's dependence on fossil fuels.

Policies or Implementing Actions:

Policy:

1. Support the increased use of renewable energy sources.

Relevance, or Other:

Relevance:

The proposed Miki Basin Industrial Park will include 127 acres for renewable energy projects (e.g., photovoltaic plus battery energy storage), which will reduce Lāna'i's reliance on fossil fuel.

SUBJECT: LAND USE

GOAL: Lana'i will have an efficient and sustainable land use pattern that protects agricultural lands, open space, natural systems, and rural and urban character.

Policies or Implementing Actions:

Policy:

2. Limit new residential, commercial, or industrial development to existing communities and proposed expansion areas as shown on the Lana'i Community Plan land use maps.

Relevance, or Other:

Relevance:

The proposed project implements the vision for placement of industrial land uses on the island and expands upon the much-needed industrially zoned land area called for in the Lāna'i Community Plan. The site was chosen for its proximity to the workforce in Lāna'i City and proximity to other industrial uses.

SUBJECT: LAND USE

GOAL: Lana'i will have an efficient and sustainable land use pattern that protects agricultural lands, open space, natural systems, and rural and urban character.

Policies or Implementing Actions:

Policy:

10. Ensure all lands are zoned and zoning standards are consistent with community plan policies and land use designations as shown on Maps 9.2 through 9.6.

Relevance, or Other:

Relevance:

The subject CIZ and CSUP applications will bring consistency between zoning and the Lāna'i Community Plan.

5. **Zoning:** The lands underlying the proposed project site are zoned "Agricultural", with a small portion zoned "Interim" by the County of Maui. See **Exhibit 14**. The Applicant is seeking a CIZ approval from the Maui County Council for "M-1, Light Industrial" and "M-2, Heavy Industrial" designations, congruent with that called for in the 2016 Lāna'i Community Plan. See **Exhibit 15**. The Applicant is also seeking a CSUP from the LPC for the relocated asphalt plant and rock crushing facilities, identified as Special Uses in the "M-2, Heavy Industrial" zoning district.

Pūlama Lāna'i will work with Maui County in establishing the allowable uses in the Miki Basin Industrial Park from the overall permitted uses allowed by zoning. See **Exhibit 16** for all the permitted uses in the "M-1 Light Industrial" district and see **Exhibit 17** for all

permitted and special uses in the “M-2, Heavy Industrial” district. The Miki Basin Industrial Park will focus on Light and Heavy Industrial uses, including renewable energy uses, an asphalt plant, a concrete recycling and rock crushing operation, and materials storage and stockpiling of aggregate and construction materials. Possible new future industrial uses in the project area include a slaughterhouse, warehouse space for cold storage, laboratory/testing facilities, niche product development, automotive services, multimedia facility, animal hospital, and other industrial related uses allowed under “M-1, Light Industrial” and “M-2, Heavy Industrial” zoning. See **Exhibit 18** for the proposed permitted and special uses being considered in this application for a CIZ and CSUP. See **Exhibit 19** for the Change in Zoning from Agricultural to “M-1 Light Industrial” and “M-2 Heavy Industrial” and from Interim to “M-2 Heavy Industrial.”

MCC, Section 19.510.040 outlines the criteria which a project must meet in order to be granted a CIZ by the Maui County Council.

1. The proposed request meets the intent of the general plan and the objectives and policies of the community plans of the county.

The proposed project implements the vision for placement of industrial land uses on the island and expands upon the much-needed industrially zoned land area called for in the Lānaʻi Community Plan. The community plan states: *“The existing industrial uses on Miki Road will be expanded into a proposed industrial area of approximately 200 acres”*.

2. The proposed request is consistent with the applicable community plan land use map of the county.

The Lānaʻi Community Plan already designates the project area with the land use of “Light Industrial” and “Heavy Industrial”.

3. The proposed request meets the intent and purpose of the district being requested.

The proposed Miki Basin Industrial Park conforms to the requested “M-1, Light Industrial” District designation, which includes *“warehousing and distribution types of activity, and permits most compounding, assembly, or treatment of articles or materials,”* according to MCC Chapter 19.24. The project also conforms to the requested “M-2, Heavy Industrial” District designation, which includes the *“manufacture or treatment of goods from raw materials,”* according to MCC Chapter 19.26.

The industrial park includes the concrete recycling and rock crushing operation, and materials storage and stockpiling of aggregate and construction materials. Possible new future industrial uses in the project area include a slaughterhouse, warehouse space for cold storage, laboratory/testing facilities, niche product development, automotive services, multi-media facility, animal hospital, and other industrial related uses allowed under “M-1, Light Industrial” and “M-2, Heavy Industrial” zoning.

4. The application, if granted, would not adversely affect or interfere with public

or private schools, parks, playgrounds, water systems, sewage and solid waste disposal, drainage, roadway and transportation systems, or other public requirements, conveniences and improvements.

The applications, if granted, will not adversely affect or interfere with public or private schools, parks, playgrounds as the proposed development is not considered a direct population generator, and will not necessitate an expansion of existing services or provision of new social services.

However, with regards to infrastructure, the proposed Miki Basin Industrial Park project will be developed to include all required infrastructure systems needed to support the project. A Traffic Impact Analysis Report (TIAR), Water Master Plan, study on new well supply alternatives for the Mānele Bay Water System, Wastewater Master Plan, and Drainage Report were all prepared for the project, which assessed existing infrastructure, projected project demand and needs, and proposed infrastructure systems to support the proposed project to ensure the proposed development's infrastructure needs are appropriately addressed.

5. The application, if granted, would not adversely impact the social, cultural, economic, environmental, and ecological character and quality of the surrounding area.

The proposed project is located on land adjoining the Lāna'i Airport, the Hawaiian Electric Company (HECO) 5-acre power plant, and the existing 20-acre Miki Basin Industrial Condominium. The master-planned project is a 200-acre light and heavy industrial development located in an area called for in the Lāna'i Community Plan. It would not adversely impact social, cultural, economic, environmental, and ecological character and quality of the area.

If the change in zoning involves the establishment of an agricultural district with a minimum lot size of two acres, an agricultural feasibility study shall be required and reviewed by the department of agriculture and the United States Soil and Conservation Service.

The CIZ does not involve the establishment of an agricultural district. The request is for a change in zoning to "M-1, Light Industrial" and "M-2, Heavy Industrial".

Additionally, MCC, Section 19.30A.020 outlines criteria applied to agricultural lands for determining whether those lands should be retained in the agricultural district. If two of the following three criteria are met, the lands are given high priority for retention:

- A. *Agricultural Lands of Importance to the State of Hawai'i (ALISH);*
- B. *Lands not classified by the ALISH system whose agricultural land suitability, based on soil, topographic, and climatic conditions, supports the production of agricultural commodities, including but not limited to coffee, taro, watercress, ginger, orchard and flower crops and nonirrigated pineapple. In addition, these lands shall include lands used for intensive*

animal husbandry, and lands in agricultural cultivation in five of the ten years immediately preceding the date of approval of this chapter; and

- C. *Lands which have seventy-five percent or more of their boundaries contiguous to lands within the agricultural district.*

Although the lands underlying the proposed project meet both Criteria A and C, there are several reasons supporting the proposed rezoning of the lands from “Agricultural” to “M-1, Light Industrial” and “M-2, Heavy Industrial”.

1. Important Agricultural Lands

The lands underlying the proposed project site are not designated as Important Agricultural Lands (IAL) and there are no IAL lands in the vicinity of the proposed project.

2. Agriculture Functional Plan

The Agriculture Functional Plan supports a system of standards, criteria, and procedures “to redesignate parcels of ‘important agricultural lands’ to ‘urban’ or ‘other use’ upon a demonstrated change of economic or social conditions, where the requested redesignation will provide greater benefits to the public than its retention in the IAL district” (State of Hawai‘i, Department of Agriculture, 1991). Although the project site is not designated IAL, economic and social conditions have evolved over the years, with plantation agriculture declining in Hawai‘i. Furthermore, the proposed use of the lands for the Miki Basin Industrial Park project would consolidate industrial uses to a location near similar facilities and activities. These uses would provide long-term public benefit. As such, the proposed rezoning of land from “Agricultural” to “M-1, Light Industrial” and “M-2, Heavy Industrial” is anticipated to provide greater benefits to the public than retaining the land in the agricultural designation.

3. Lāna‘i Community Plan

The proposed project implements the vision for placement of industrial land uses on the island and expands upon the much-needed industrially zoned land area called for in the Lāna‘i Community Plan. In this regard, the proposed rezoning is supported by the Lāna‘i Community Plan.

4. Impacts on Agriculture

An Impacts on Agriculture report was prepared for the proposed project to analyze potential impacts the project has on agricultural resources. Refer to Final EA, Appendix “B”. The loss of 200 acres of agriculture land on Lāna‘i, plus the loss of agricultural land due to other projects (i.e., the cumulative impact), is too small to significantly affect the growth of diversified agriculture on Lāna‘i or Statewide. The project will also not have any adverse effects on any existing onsite agricultural operations since the land has not been cultivated since the pineapple plantation closed in 1992.

The impacts on agriculture will be offset by the benefits of the project, including:

- (1) employment generated by construction activity and onsite commercial and industrial activity;
- (2) offsite economic activity generated by the purchases of goods and services by construction companies and the families of construction workers;
- (3) tax revenues derived from County property taxes and State taxes (excise, personal income, and corporate income); and
- (4) goods and services provided by businesses of the project.

COUNTY SPECIAL USE PERMIT APPLICABILITY

MCC, Section 19.510.070 outlines the criteria which a project must meet in order to be granted a CSUP by the Lanai Planning Commission.

1. **The proposed request meets the intent of the general plan and the objectives and policies of the applicable community plan of the county.**

The Miki Basin Industrial Park, including the proposed special uses, directly and indirectly promotes many of the goals and objectives of the Countywide Policy Plan. This includes the project's investment in the local economy which will support local businesses that are linked to the construction, industrial, and renewable energy industries. From a long-term perspective, the Miki Basin Industrial Park supports economic diversification and the overall business environment by providing opportunities for new enterprises to establish places of operations for their respective ventures.

The Lāna'i Community Plan was adopted by the County of Maui through Ordinance No. 4343 which took effect on July 26, 2016. Land use guidelines are set forth by the Lāna'i Community Plan Land Use Map. The project site for the proposed special uses is designated as "Heavy Industrial" by the Community Plan. The Miki Basin Industrial Park, including the proposed special uses, is consistent with the Community Plan land use designations.

2. **The proposed request is consistent with the applicable community plan land use map of the county.**

The Lāna'i Community Plan was adopted by the County of Maui through Ordinance No. 4343 which took effect on July 26, 2016. Land use guidelines are set forth by the Lāna'i Community Plan Land Use Map. The Miki Basin Industrial Park is designated as "Light Industrial" and "Heavy Industrial" by the Community Plan. The proposed special uses are located in the area of

the Industrial Park that is designated "Heavy Industrial" by the Community Plan.

3. **The proposed request meets the intent and purpose of the applicable district.**

The "M-2, Heavy Industrial District" is intended to include those uses which include the manufacture or treatment of goods from raw materials. The proposed asphalt plant and rock crushing activities are identified as special uses in the "M-2, Heavy Industrial District" under Maui County Code, Section 19.26.040.

4. **The proposed development will not adversely affect or interfere with public or private schools, parks, playgrounds, water systems, sewage and solid waste disposal, drainage, roadway and transportation systems, or other public requirements, conveniences, and improvements.**

The Miki Basin Industrial Park, including the proposed special uses, is located approximately 3.2 miles from Lāna'i City and is not in close proximity to public or private schools, parks, or playgrounds. The Miki Basin Industrial Park will allow industrial uses to be established in a location appropriate for such uses, away from residential areas. As discussed previously, infrastructure improvements, including roadway, water, wastewater, and drainage improvements will be developed as part of the Miki Basin Industrial Park. Adverse impacts to public services or infrastructure are not anticipated.

5. **The proposed development will not adversely impact the social, cultural, economic, environmental, and ecological character and quality of the area.**

The Miki Basin Industrial Park, including the proposed special uses, is located on land adjoining the Lāna'i Airport, the Hawaiian Electric 5-acre fossil fuel facility, and the existing 20-acre Miki Basin Industrial Condominium. The proposed special uses are located in an area identified for industrial use in the Lāna'i Community Plan. It would not adversely impact social, cultural, economic, environmental, and ecological character and quality of the area.

6. **That the public shall be protected from the deleterious effects of the proposed use.**

The proposed special uses will be located in an area specifically designated for industrial uses and located 3.2 miles from Lāna'i City. Best management practices will be implemented at the asphalt plant and rock crushing facilities. Deleterious effects to the public are not anticipated.

7. **That the need for public service demands created by the proposed use shall be fulfilled.**

The proposed special uses will not expand the need for public services.

8. **If the use is located in the state agricultural and rural district, describe how the use complies with the guidelines established in section 15-15-95 of the rules of the land use commission of the State.**

The proposed special uses are not located in the State Agricultural or Rural District. In February 2023, the State Land Use Commission approved a District Boundary Amendment for the Miki Basin Industrial Park, designating the property as Urban.

AGRICULTURE

1. The project area is currently not productive nor readily suitable for cultivation. The 200 acres of the proposed project represents approximately 1.1 percent of the 18,000 plus acres of the previously cultivated pineapple fields. Although the project will result in the loss of approximately 200 acres of historically cultivated agricultural land, the land has not been cultivated for decades. Moreover, the 200-acre project area makes up a fraction of the potentially cultivatable acres on the island and even less of the 200,000 acres of fallow agricultural lands vacated by the sugar and pineapple industries statewide. There is presently no demand for agricultural use of the project area, and there is sufficient available agricultural land to meet near to mid-term demand. See Final EA, Appendix "B", Impacts on Agriculture Report.

ARCHAEOLOGICAL, HISTORIC AND CULTURAL RESOURCES

1. T. S. Dye & Colleagues prepared an AIS with subsurface testing in the project area on May 9, 2018, during the environmental review process. The AIS recommended that a data recovery plan be developed for Sites 50-40-98-1980 and 50-40-98-1981, and that this plan be implemented prior to proposed construction activities within the parcel. SHPD concurred with this recommended mitigation. The Applicant has prepared an Archaeological Data Recovery Plan and Archaeological Data Recovery Report that have been submitted to SHPD for review. See Final EA, Appendices "D-1", "D-2", "D-3", and "D-4".

The Applicant will comply with all applicable County, State and Federal laws and rules regarding the treatment of archaeological and historic sites. Should evidence of archaeological or cultural resources be encountered during site preparation work or during drilling, then activities at the site will be suspended and Pūlama Lānaʻi and the SHPD will be contacted immediately for review, evaluation, and recommendations on how to preserve or avoid damage to the resources. However, given the conclusions of the AIS, discovery of historic items in the project area are not expected. None of the historic sites identified in the AIS are located on the project area. The aforementioned sites were previously removed, as noted in the Archaeological Data Recovery Plan and Archaeological Data Recovery Report that was submitted to SHPD.

The pedestrian survey and subsurface testing resulted in the identification and

documentation of two secondarily deposited historic scatters and two historic properties, designated as Site 50-40-98-1980 and Site 50-40- 98-1981. Site 50-40-98-1980 is comprised of two features including a lithic scatter and an eroded exposed fire-pit. Site 50-40-98-1981 is a subsurface truncated fire-pit feature. Both historic properties are evaluated as significant for the important information on Hawaiian history and prehistory that they have yielded.

The impacts to cultural resources were assessed for the project area by Honua Consulting Services LLC. See Final EA, Appendix "D-4", Supporting Documentation on Cultural Impact Assessment Requirement. The AIS prepared for the proposed project included research compliant with guidelines for development of a Cultural Impact Assessment (CIA). The project area is situated in the ahupua'a of Kamoku. The CIA involved ethnographic research and interviews of individuals with knowledge of Kamoku and native Hawaiian beliefs, practices and traditions on Lāna'i. One of the interviewees indicated that the project area had been used for gathering of 'a'alii and 'uhaloa for adornments and la'au lapa'au. Both 'a'alii and 'uhaloa are common throughout the Pālāwai-Miki Region of Lāna'i and prevalent in the surrounding areas. Therefore, while the project area is used for traditional practices, the proposed project is not anticipated to affect the availability of these cultural resources, and the project will not affect access to these resources in the region. The project is not anticipated to have an impact on native Hawaiian traditional and cultural practices in the ahupua'a.

2. The State Historic Preservation Division (SHPD) accepted the AIS on August 4, 2020. See Final EA, Appendix "D-2", State Historic Preservation Division Archaeological Inventory Survey Acceptance Letter.

SHPD concurred with the recommended mitigation of a data recovery plan be developed for Sites 50-40-98-1980 and 50-40-98-1981 and that this plan be implemented prior to proposed construction activities within the subject parcel.

By letter dated October 11, 2022, the SHPD accepted the Data Recovery Plan and Data Recovery Report and notified the County that the permit issuance process may proceed. See **Exhibit 12**.

INFRASTRUCTURE AND PUBLIC FACILITIES AND SERVICES

1. **Water** -- Akinaka & Associates, Ltd. prepared a Water Master Plan for Mānele Bay Water System (Public Water System 238 ("PWS 238")), which provides service to the project area and to Mānele, Hulopo'e and the Pālāwai Irrigation Grid. See Final EA, Appendix "H-1", Water Master Plan.

PWS 238 is owned, operated and maintained by the Lāna'i Water Company. PWS 238 is sourced by Well No. 2 (State Well No. 5-4953-001) and Well No. 4 (State Well No. 5-4952-002). PWS 238 provides water service to Mānele, Hulopo'e, and the Pālāwai Irrigation Grid. Water from the wells is either stored in the existing 0.5 million gallon (MG) Hi'i Tank, 1.0 MG concrete Hi'i Reservoir, or fed directly into the distribution system depending on the demand. PWS 238 consists of 10-inch, 12-inch, and 16-inch transmission mains. PWS 238 is interconnected with the Lāna'i City Water System (Public Water System 237 ("PWS 237")). During emergencies, PWS 237 can be connected to

PWS 238 by opening a valve.

The existing average daily water usage of PWS 238 is estimated at 433,000 gallons per day (GPD). Existing water demand for the Concrete Batch Plant (CBP) is 3,500 GPD, which is currently provided by PWS 238. Existing water demand for the asphalt plant is 1,000 GPD, which is currently provided by PWS 237. The asphalt plant will have a new demand of 1,000 GPD on PWS 238, when it is relocated into the Miki Basin Industrial Park. As mentioned previously, PWS 238 consists of 10-inch, 12-inch, and 16-inch transmission mains. The 12-inch transmission main transports water from the 1,000,000 gallon Hi'i Reservoir to the 500,000 gallon Hi'i Tank and into the Mānele Bay Water System (PWS 238). The 12-inch main splits at a junction to serve both Mānele and Pālāwai Irrigation Grid. From the junction to Mānele and Hulopo'e, the 12-inch line feeds into three pressure breaker storage tanks. From the junction to the Pālāwai Irrigation Grid area, the waterline upsizes to a 16-inch main for water delivery. The existing 12-inch Pālāwai PRV downstream of the junction reduces the pressure in the waterline to 95 psi.

The Mānele Bay Water System (PWS 238) is interconnected with the Lāna'i City Water System (PWS 237). During emergencies, the Lāna'i City System (PWS 237) can be connected to the Mānele Bay Water System (PWS 238) by opening a valve. The majority of the project will be developed within five years upon securing all entitlements and can be supported by the current water system. The remaining 13 percent will likely need additional capacity depending on the new industrial uses that will be implemented throughout the duration of the project (over a period of 20 years).

The Water Master Plan notes that PWS 238 does not have adequate well-pump capacity (source) for the full buildout of the project. However, there is enough storage to support the full buildout with the existing tank and reservoir.

The Water Master Plan includes a detailed list of improvements that will be required to support full buildout of the industrial park which include modifying or replacing the existing PRV, drilling a new source or multiple sources to obtain an additional minimum pump capacity of 426 gallons per minute (GPM), and evaluating the condition of sections of the Pālāwai Irrigation Grid to determine the need for pipe repair, replacement or possible abandonment.

The New Well Supply Alternatives report prepared by Tom Nance Water Resource Engineering concluded that a new well to supply the Miki Basin Industrial Park project can be accommodated within the Leeward Aquifer System's 3.0 MGD sustainable yield. See Final EA, Appendix "H-2", New Well Supply Alternatives for the Mānele Bay Water System, Public Water System No. 238.

The water demand for the proposed project is also analyzed in the context of the 6.0 MGD sustainable yield for the island as a whole. The current water demand on Lāna'i is 1.517 MGD, the next additional incremental demand is the full buildout for the Miki Basin Industrial Park at 0.159 MGD, followed by other proposed or approved projects at 0.260 MGD. The total forecasted water demand for Lāna'i (summation of the values) is 1.936 MGD, which is 55 percent less than the 4.3 MGD trigger set by CWRM and 68 percent less than the sustainable yield of 6 MGD for Lāna'i. The near-term Miki Basin Industrial Park's anticipated uses include the relocation of the CBP and the asphalt plant. These near-term uses are expected to have an incremental demand of 2,625 GPD for the CBP

and a new demand of 1,000 GPD for the asphalt plant on PWS 238. In the long term, the new industrial uses are expected to have a new demand of 156,000 GPD on PWS 238.

According to the Water Master Plan for PWS 238, the full buildout of the Miki Basin Industrial Park's new or incremental estimated water demand on PWS 238 is 159,625 GPD. The estimated water demand on PWS 238 for the full buildout of the Miki Basin Industrial Park is 163,125 GPD, which includes the existing and new or incremental estimated water demand. The projected average day demand for PWS 238, including full buildout of the Miki Basin Industrial Park and existing demands (not Miki Basin Industrial Park related), is 592,625 GPD.

The Water Master Plan includes a detailed list of improvements that will be required to support full buildout of the industrial park. Three alternative well sites were also evaluated, with the recommended site located 2,000 feet northwest of existing Well No. 2 at the top of a former pineapple field and accessed by old plantation roads. This proposed well site is far enough away from existing wells so as not to impact their sustainable supplies. A well at this site would encounter high-level, drinking water quality groundwater and could meet or exceed the necessary 426 GPM capacity to ensure adequate supply for the full buildout of the Miki Basin Industrial Park. Additionally, the design and operations of facilities will include measures which will promote the conservation of water resources.

The project will be constructed with appropriate water efficiency measures. The Applicant confirms its commitment that water usage for the project will not exceed the maximum daily usage calculations provided in the Water Master Plan report.

The County of Maui, Department of Water Supply (DWS) noted that Lāna'i island does not obtain water service from the County, and, therefore, any building or plumbing permits would not be reviewed by DWS. DWS noted, however, if a subdivision application is received, then it would review the project to ensure compliance with county code. The Applicant acknowledged the comments and confirmed that the project does not involve a subdivision of the property.

Additionally, DWS provided its standard comments for Best Management Practices (BMPs) for pollution prevention and conservation indoor and outdoor BMPs and noted that the project's potential use of R-1 recycled wastewater would be in alignment with the Lāna'i Island Water Use and Development Plan. The Applicant will utilize R-1 recycled wastewater for the project, to the extent feasible and practicable, as well as BMPs for pollution prevention and water conservation measures. It is noted, however, that landscaping in an industrial area is not necessarily conducive.

2. **Sewers** -- There is currently no existing County or privately owned or operated wastewater treatment system in the vicinity of the proposed 200-acre Miki Basin Industrial Park. Wastewater is currently treated via onsite individual wastewater systems. Currently, there is no wastewater generated from the proposed 200-acre Miki Basin Industrial Park site. According to the Akinaka & Associates, Ltd. Wastewater Master Plan for the proposed 200-acre Miki Basin Industrial Park, the construction of onsite Individual Wastewater Systems (IWS), decentralized Wastewater Treatment Plants (WWTP) and collection systems will be required to support development activity. See Final EA, Appendix "I", Wastewater Master Plan. Each development within the industrial park will be required to

provide its own wastewater treatment system and associated wastewater collection system. The type of treatment system used will be determined by the size and type of development. Sizing of each system will be determined during the design phase of each development.

Since specific development plans for the industrial park are not yet available, proposed wastewater flows for buildout of the industrial park are based on the proposed land use and an estimated developable area for each parcel. The proposed design average wastewater flow for full buildout of the industrial park is 80,179 GPD, with a design peak flow of 333,688 GPD.

It is anticipated that the concrete facility and asphalt plant may be the first sites developed, and will require the installation of an IWS septic system. The wastewater flows generated from these facilities are minimal and could be managed with an IWS even after development of a nearby decentralized WWTP. The light industrial area west of Miki Road would produce the majority of the projected design wastewater flow. A WWTP developed at the lowest point in the project site on the southwestern edge of the light industrial area west of Miki Road could collect the wastewater from this area without the need for pump stations and force mains.

The wastewater system for the Miki Basin Industrial Park will be designed in conformance with the requirements of the DOH and the County of Maui to ensure proper handling and treatment of wastewater generated by the project. The County of Maui, Department of Environmental Management did not provide any comments on the proposed project.

3. **Drainage** -- R.M. Towill Corporation prepared a Drainage Report on July 9, 2021, to determine that the offsite and onsite drainage system requirements for the proposed Miki Basin Industrial Park meet the County of Maui Storm Drainage Standards. See Final EA, Appendix "J", Drainage Report.

Offsite runoff generated from the area north of Miki Road sheet flows and is intercepted by an unlined ditch along Miki Road. Once in the unlined ditch, the runoff flows towards the southeast direction to a low point in Miki Road, near the existing HECO facility.

The existing onsite terrain is covered with vegetation and slopes at about five percent from Miki Road toward the southeast. There is no existing storm drain system within the project area.

Offsite runoff, including runoff generated from the HECO facility, is diverted around the Miki Basin Industrial Condominium site and is discharged into an existing drainageway. Runoff generated within the existing Miki Basin Industrial Condominium site is collected by an onsite drainage system and is discharged offsite. There are currently no drainage structures within the 200-acre project area. The proposed development will increase the amount of impervious area within the project.

The project will increase the runoff onsite by 141.36 cfs based on a 100-year, 24-hour storm. Existing drainage patterns will be maintained by discharging intercepted offsite runoff to its original flow path. Offsite runoff will be intercepted before entering the project site by proposed drainage ditches. The drainage ditches will divert runoff around the

perimeter of the project site to an offsite discharge point downstream. The ditches will be sized to accommodate the peak runoff flow from the 100-year, 24-hour storm and 10-year, 1-hour storm where necessary and provide a minimum 2-foot freeboard.

Onsite runoff will be collected by a proposed underground storm drain system consisting of pipes and inlets. The additional flow generated within the proposed parcels can be accommodated by the existing Miki Basin and Pālāwai Basin. The additional runoff volume is negligible compared to the available basin capacity. Stormwater treatment will not be provided for this project since the runoff flows into an existing offsite sump with no outlet to the ocean.

Applicable law will be followed to minimize soil movement, erosion and compaction during all project actions. The proposed drainage plan will meet the requirements of Chapter 4, "Rules for the Design of Storm Drainage Facilities in the County of Maui" and Chapter 111, "Rules for the Design of Storm Water Treatment Best Management Practices".

The project will include the implementation of site- specific BMPs during the construction to provide erosion control and minimize impacts to downstream properties. Based on the foregoing, the proposed 200-acre industrial development will not have an adverse impact on any existing downstream properties. As indicated by the Flood Insurance Rate Map for the County of Maui, the project site is located within Zone X. The Zone X designation corresponds to areas of minimal flood hazard, which are the areas outside the Special Flood Hazard Area and higher than the elevation of the 0.2-percent annual chance flood.

Due to the project location, significant adverse impacts related to flood hazards, are not anticipated.

4. **Roadways, Curbs, Gutters and Sidewalks** -- The primary street for ingress/egress for the project is Miki Road. Miki Road is a generally north-south, two-way privately-owned roadway that begins to the north at its intersection with Kaumālapa'u Highway and extends approximately 2.95 miles to the south. Kaumālapa'u Highway is generally east-west, two-way, two-lane State-owned roadway that runs perpendicular to Miki Road. Miki Road is 13 to 15 feet wide and currently requires vehicles to pull off to the unpaved shoulder when encountering approaching vehicles traveling in the opposite direction.

The Traffic Impact Analysis Report (TIAR) evaluated traffic impacts resulting from the proposed project. See Final EA, Appendix "G", attached, Traffic Impact Analysis Report. Due to atypical traffic caused by COVID-19, Hawai'i Department of Transportation (HDOT) traffic volume data from 2018 were utilized instead of the 2020 traffic volumes in the TIAR. The TIAR considered the total traffic impacts of the project as well as the impacts of known future developments in the vicinity of the project. Currently, the Kaumālapa'u Highway/Miki Road intersection operates at level of service (LOS) B, which is defined as reasonably free-flow traffic conditions. At least two driveway access points to the project site will be provided along Miki Road. Project Driveway 1 provides access to the light and heavy industrial areas west of Miki Road and Project Driveway 2 provides access to the light industrial area east of Miki Road. See Final EA, Appendix "G", Traffic Impact Analysis Report, attached. The TIAR recommends the widening of Miki Road between its intersection with Kaumālapa'u Highway to the project driveways. Miki Road is currently estimated to be 13 feet wide and should be widened to accommodate large vehicles and

full side-by-side bi-directional travel with intersections capable of accommodating turning movements, and to provide an exclusive westbound left-turn deceleration lane. Each of the intersections is forecasted to operate at LOS B, which is similar to existing conditions. The project is anticipated to generate 161 trips during the weekday AM peak hour of traffic and 163 trips during the weekday PM peak hour of traffic by 2040.

Upon completion of the project, all intersection movements are forecast to operate at LOS B or better during the AM and PM peak hours of traffic. Miki Road is privately-owned; the levels of service for the proposed uses on such are acceptable and not significant. The Hawai'i Department of Transportation (HDOT) Airports Division provided comments and guidance on addressing Federal Aviation Administration (FAA) regulations and impacts from aircraft operations. The Applicant acknowledged the division's comments and will comply with all FAA regulations.

HDOT's Highways Division provided recommendations on traffic mitigations and improvements, and requested additional information on planned projects that could affect traffic conditions on Kaunapali Highway by 2040. The Highways Division also requested consultation with the Maui Highway District Engineer for required permits and approvals, as well as implementation of a maintenance and monitoring program. The Applicant acknowledged responsibility for all required improvements and confirmed it will consult directly with the Maui District Engineer on permit approvals, and maintenance and monitoring during the project's development. The Applicant also provided additional information and clarification in the Final EA.

5. **Electrical and Telephone** -- Overhead/underground electrical and telephone service is available to the site. The HECO powerplant is adjacent to the proposed project and provides energy to Lāna'i Airport operations. The electrical service lines to the Airport are underground, running from Kaunapali Highway along the Airport access road to the Airport.

The Miki Basin Industrial Park will include 127 acres for renewable energy projects, including photovoltaic equipment with battery energy storage. The project's location adjacent to the HECO fossil fuel power plant will significantly reduce connection costs associated with bringing the renewable energy project online. The electricity generated by the renewable energy project will provide clean energy for 95 percent of the energy demand for the island of Lāna'i. By replacing the use of fossil fuels with renewable energy, Lāna'i will increase resiliency and minimize the impacts of price fluctuations based on the price of oil. The project is not anticipated to have an adverse impact on existing electrical, telephone, or cable television systems, nor is it expected to extend existing service area limits. Early project coordination will be carried out with the service providers to ensure services can be delivered to the project site in a timely basis. Hawaiian Telecom (HTCO) and Charter Communications dba Spectrum (Spectrum) will offer broadband and telephone services to the project. Services are currently provided and available to the project site. No impacts are anticipated as a result of this project.

6. **Parks** -- The Maui County Department of Parks and Recreation and Lāna'i public schools maintain a number of recreational resources on the island of Lāna'i. County parks and facilities in Lāna'i City include: the Lāna'i Community Center, the Lāna'i Gym and Tennis Courts, and the Lāna'i Little League Field, Fraser Avenue Park and Kaunapali Highway.

Highway/Fraser Avenue Park.

Pūlama Lāna'i also owns and maintains a number of recreational facilities that are available for public use including Dole Park, Olopuā Woods Park, Waialua Park, Hulopo'e Beach Park, and the Lāna'i Recreation Center.

Other recreational facilities operated by Pūlama Lāna'i include the 18-hole championship golf course at Mānele Resort and the 9-hole Cavendish Golf Course.

The proposed action is not expected to generate a need for additional recreational facilities. There are no anticipated adverse impacts to existing recreational facilities and resources.

7. **Schools** -- The project is located approximately 3.2 miles from Lāna'i High and Elementary School, which is the only public school that serves the educational needs of the island of Lāna'i. The project is not anticipated to generate an increase in enrollment.

The proposed Miki Basin Industrial Park will allow existing industrial uses currently scattered in business and residential areas in Lāna'i City to relocate to more appropriate locations having the infrastructure and buffers necessary for industrial uses. The project is not a population generator and, as such, adverse impacts on educational facilities are not anticipated.

8. **Solid Waste** -- The Lāna'i Landfill on Kaumālapa'u Highway accepts municipal solid waste and construction debris dropped-off from commercial and residential customers. In addition, personal delivery to the landfill of municipal solid waste, green waste, and trash is available.

During the initial short-term construction phase of the project, the contractor will develop and implement a construction-generated waste disposal plan. Appropriate construction debris will be taken to the landfill.

A large proportion of the Miki Basin Industrial Park, 127 acres, is proposed for renewable energy uses such as photovoltaic plus battery energy storage, which would not be a generator of new solid waste. If necessary, appropriate decommissioning practices in compliance with federal, state, and local regulations will be implemented at the end of the useful life of the renewable energy project. Individual users at the Miki Basin Industrial Park will be responsible for disposing of solid waste, recyclables, and green waste consistent with State and County regulations and programs.

With respect to the concrete recycling and crushing operation, the operator will manage solid waste disposal consistent with the County programs on the island. Most of the materials and by-products would consist of rock, aggregate, and concrete cement that is planned to be recycled as much as possible to reduce the need for costly importation of building materials. Materials that are considered construction and demolition debris waste would be handled and disposed of in accordance with State and County regulations and laws. Inasmuch as the concrete crushing operation represents a relocation of an existing use, significant new solid waste generation is not anticipated.

Based on the foregoing, the proposed Miki Basin Industrial Park is not anticipated to

generate a significant adverse impact related to solid waste disposal considerations.

9. **Public Services** -- The Lānaʻi Fire Station provides the fire protection services for the island. Located at 1345 Fraser Avenue in Lānaʻi City, the fire station is approximately three miles from the project area. The station includes a total staffing of 18 personnel. Three captains, six Firefighter III, and nine Firefighter I. Lānaʻi Station houses one engine company and one tanker. There are six personnel on duty daily (County of Maui, Department of Fire and Public Safety, 2014-2015).

The site is served by Lānaʻi Public and School Library on Fraser Avenue.

The site is served by the Lānaʻi Police Station.

The nearest hospital facility is the Lānaʻi Community Hospital in Lānaʻi City.

The proposed project will not adversely affect public services. It is not a population generator, nor will it expand service limits for public services. The project involves development of an area for light and heavy industrial uses, as identified in the Lānaʻi Community Plan.

No adverse impacts on police and fire protection services, and medical services are anticipated.

SOCIO ECONOMIC IMPACTS

The proposed Miki Basin Industrial Park will be compatible with existing industrial uses on neighboring properties and has been designated by the Lānaʻi Community Plan for industrial use. In this regard, the proposed action is not anticipated to have significant adverse effects on the neighboring facilities or the Lānaʻi Airport.

Population and Demography: The proposed project is not a direct population generator and, thus, not anticipated to have a significant adverse impact on population or demographic trends on Lānaʻi. The project will allow existing industrial facilities currently scattered in business and residential areas in Lānaʻi City to relocate to more appropriate locations for industrial uses with infrastructure and buffers.

Economy: The project will create temporary and permanent employment opportunities. The project will also provide space for new businesses to flourish and for the diversification of the economy. The project will transform vacant land of limited agricultural potential into an asset for the community. Construction activities will result in short- and long-term creation of jobs and materials spending. During the initial 10-year development period, when most of the development is expected to occur, total construction expenditures are estimated at \$78.8 million. Construction expenditures plus indirect sales related to construction expenditures are expected to average \$12.9 million per year based on State economic multipliers. By 2030, new economic activities at the Miki Basin Industrial Park are expected to generate approximately \$17.1 million annually. Overall, the project will produce annually an estimated \$670,000 in State taxes and \$380,000 in County taxes. See Final EA, Appendix "F", Economic, Population, and Fiscal Impacts Report.

ENVIRONMENTAL IMPACTS

There will be short term noise and air quality impacts during the construction phases of the project. Best management practices should be incorporated into the project in accordance with Federal, State and County standards.

The proposed project is also approximately 3.5 miles inland from the shoreline and at a significantly high elevation, thus, the project site is not subject to any foreseeable negative impacts from tsunamis or sea level rise. The proposed improvements are located outside of the projected 3.2-ft. sea level rise hazard area as identified in the Hawai'i Sea Level Rise Vulnerability and Adaptation Report published in 2017 by the Hawai'i Climate Change Mitigation and Adaptation Commission.

According to the Flora and Fauna Study, the vegetation in the project area is dominated by hardy, invasive non-native species. No special habitats for native plants were found. Because of the above information, it is determined that there is nothing of special botanical concern with regard to this project. No recommendations with reference to plants were deemed necessary. The fauna recorded in this project area is largely non-native in character. Axis deer are abundant throughout the area and have significantly modified the habitat by reducing plant species to a few hardy dominants. Two indigenous seabirds, the endangered 'ua'u and the threatened 'a'o, while not nesting in the project area, do fly over it during dusk to access their burrows high in the mountains and again at dawn to head out to sea. Young birds taking their first fledging flights are inexperienced fliers. They often are disoriented by bright lights and crash into light structures where they become vulnerable to injury and predators. The Flora and Fauna Study recommended that any significant outdoor lighting associated with the proposed project be hooded to direct the light downward to mitigate this threat. No other recommendations with reference to fauna were deemed necessary in the study.

The project area is not part of a scenic corridor, and the project will not affect scenic vistas or view planes. Rather, the project area abuts the southeast end of Lāna'i Airport and the project will have complementary, industrial uses to the neighboring facilities. No adverse impacts to open space or scenic resources are anticipated as a result of the project. The project area is not located near traditional access or walking trails between coastal or upland areas.

A terrestrial vegetation and wildlife study of the project area was completed. See Final EA, Appendix "C", Flora and Fauna Study. No State or federally listed threatened or endangered species or rare native Hawaiian plant species were observed within the project area, and the area is not designated as a critical habitat for any species. Historically, the vegetation of Lāna'i has been impacted by grazing and commercial pineapple cultivation. The vegetation in the project area is dominated by hardy, invasive non-native species. Of the 39 plant species observed, only three are native to the Hawaiian Islands. 'Ilima (*Sida fallax*), 'uhaloa (*Waltheria indica*) and 'a'ali'i (*Dodonaea viscosa*) are common native plants documented in small numbers in the project area.

No other recommendations with reference to fauna were deemed necessary in the study. See Final EA, Appendix "C", Flora and Fauna Study.

The U.S. Fish and Wildlife Service (USFWS) was consulted for the proposed project and recommended avoidance and minimization measures be implemented for the project as it relates to the endangered Hawaiian petrel (*Pterodroma sandwichensis*) which may occur in the vicinity or pass through the project area. The USFWS also provided additional information on listed

species that may occur or transit through the proposed project area, along with recommended avoidance and minimization measures for the Hawaiian hoary bat, Blackburn's sphinx moth, and Hawaiian seabirds. The measures will be incorporated into the project plans, as applicable.

The proposed project is located inland approximately 3.5 miles from the coastal zone and the underlying soils are composed of silty clay loam. As such, impacts to dune ecosystems are not anticipated.

Although historical evidence suggests the existence of perennial streams, no surface water resources currently exist on the island. There are also no wetlands located on or in the immediate vicinity of the proposed project site.

No surface water resources currently exist on Lāna'i, thus, there will be no impacts to streams or wetlands.

The proposed project area is inland approximately 3.5 miles from the coastline. As such, adverse impacts to marine ecosystems are not anticipated from the proposed action.

The project area is located in the Miki Basin on gently to moderately sloping lands that were part of a large pineapple plantation. The proposed project is not anticipated to adversely impact any significant natural features.

The proposed project is located in the Miki Basin approximately four miles southwest of Lāna'i City and abuts the southeast end of Lāna'i Airport. The project area is situated on gently sloping land with an average slope of five percent. The proposed project is located away from public roadways and residential areas. The proposed project is not anticipated to adversely impact open space resources.

Noise around the project area is dominated by noise from airport-related activities, including roadway use and aircraft taxiing, taking off and landing. Operations at the HECO fossil fuel power plant and the Miki Basin Industrial Condominium also contribute noise to the surrounding area. The nearest noise sensitive areas to the project area are located in Lāna'i City. No noise-sensitive areas are present within the project area. Ambient noise conditions will be temporarily affected by construction activities. Sound attenuating construction equipment will be used, where practicable, and necessary to mitigate noise impacts caused by construction. Night-time construction activity is not anticipated or proposed. Future industrial park users will be responsible for complying with all applicable DOH rules and regulations relating to noise impacts. Pūlama Lāna'i will ensure that any impact to air quality or noise caused during construction will be mitigated by compliance with applicable State and Federal regulations and best management practices.

Construction related activities for the proposed project will be the primary source of airborne pollutants affecting the surrounding air quality. Appropriate BMPs, such as frequent watering of exposed surfaces and regular maintenance of construction equipment will be utilized to minimize air quality impacts associated with project construction.

Any future industrial activities which may have air quality impacts will be regulated by the DOH. The 127 acres of the Miki Basin Industrial Area to be used for renewable energy projects (photovoltaic plus battery storage), will not generate adverse air quality impacts. Other future uses include the relocation of an existing concrete recycling and rock crushing operation, and for the

storage and stockpiling of aggregate and construction materials.

Stockpile sites are generally left uncovered based on the need to transfer aggregate materials into and out of storage frequently. The generation of dust is the primary emission or by-product associated with the stockpile site. BMPs employed at the site to address these problems would principally consist of adhering to environmental regulations for the storage and use of the aggregate stockpiles. Dust control would be handled by use of regular wetting of the crushed concrete and rock, and materials storage areas with a sufficient amount of water to saturate the area without causing runoff.

In the context of the Green House Gas Reporting Program (25,000 metric tons of CO₂ EQ), the relative effects GHG emissions (CO₂ EQ) during construction from earthmoving equipment and transportation of materials to and from the project site, will be short term and are not considered significant. Based on the foregoing, the proposed action is not anticipated to create significant direct and indirect foreseeable GHG emissions. This action does not fall within the threshold of mandatory GHG reporting.

Construction related activities for the proposed project will be the primary source of airborne pollutants affecting the surrounding air quality. Appropriate BMPs, such as frequent watering of exposed surfaces and regular maintenance of construction equipment will be utilized to minimize air quality impacts associated with project construction.

The proposed project commits 200 acres of land for the construction of the proposed Miki Basin Industrial Park. Other resources which will be committed in the implementation of the proposed action include material and fuel resources. The project will result in short-term beneficial impacts related to temporary construction employment and spending.

The Applicant will work to minimize noise emissions at the relocated facilities, including the use of all combustion powered equipment and vehicles. Any equipment found to be in poor condition will be repaired or replaced, and mufflers shall be used in accordance with federal and state laws and regulations. Considering the project represents the relocation of existing facilities, significant increases in noise generation are not anticipated. It should be noted that the relocation site was selected, in part, due its close proximity to similar industrial uses, as well as its distance from noise-sensitive areas.

Construction of the industrial park will allow existing industrial facilities currently scattered in business and residential areas in Lāna'i City to relocate to more appropriate locations having the infrastructure and buffers necessary for industrial uses. The proposed action also provides opportunities for future industrial development on Lāna'i, which will add to the Lāna'i's economy and, thereby, contribute to the island's resiliency and sustainability.

OTHER GOVERNMENTAL APPROVALS, REGULATIONS, POLICIES, PLANS, BEST MANAGEMENT PRACTICES

The following permits and approvals will be required prior to the implementation of the project:

State of Hawai'i

1. National Pollutant Discharge Elimination System (NPDES), as applicable

2. Community Noise Permit, as applicable
3. Permit to Perform Work Upon State Highways, as applicable
4. Permit to Operate or Transport Oversize and/or Overweight Vehicles and Loads Over State Highways, as applicable

County of Maui

1. Maui County Code, Title 19, Change of Zoning (CIZ)
2. County Special Use Permit (asphalt plant and rock crushing operation) and/or other Title 19 approvals, as applicable
3. Construction Permits (Grading, Building, Electrical, and Plumbing)

TESTIMONY

As of August 7, 2023, the Planning Department has received no testimony regarding these applications.

ALTERNATIVES

Change in Zoning

1. Deferral. The Commission may defer action to another meeting date in order to obtain additional information that will assist in their deliberations on the request.
2. Recommend Approval with no Conditions. The Commission may take action to recommend to the Maui County Council approval of the Change of Zoning without imposing any conditions.
3. Recommend Approval with Conditions. The Commission may take action to recommend to the Maui County Council approval of the Change of Zoning with conditions.
4. Denial. The Commission may take action to recommend to the Maui County Council denial of the Change of Zoning.

County Special Use Permit

1. Deferral. The LPC may defer action to another meeting date in order to obtain additional information that will assist in their deliberation on the request.
2. Approve With No Conditions. The LPC may take action to approve the request without imposing any conditions.
3. Approve With Conditions. The LPC may take action to approve the request with conditions.
4. Denial. The LPC may take action to deny the requests.

CONCLUSIONS OF LAW

The subject applications comply with the applicable standards for the following:

Change of Zoning

Pursuant to Sections 19.510.040 and 19.510.050 of the Maui County Code, the proposed request meets the criteria for a Change in Zoning as follows:

1. With the application of recommended conditions of approval, the proposed request meets the intent of the general plan and the objectives and policies of the Lānaʻi Community Plan;
2. With the application of recommended conditions of approval, the proposed request is consistent with the applicable Lānaʻi Community Plan land use map of the County;
3. With the application of recommended conditions of approval, the proposed request meets the intent and purpose of the zoning district being requested;
4. The application, if granted, would not, with appropriate mitigation measures, adversely affect or interfere with public or private schools, parks, playgrounds, water systems, sewage and solid waste disposal, drainage, roadway and transportation systems, or other public requirements, conveniences and improvements; and,
5. The application, if granted, would not, with appropriate mitigation measures, adversely impact the social, cultural, economic, environmental, and ecological character and quality of the surrounding area.

County Special Use Permit

Pursuant to Section 19.510.070, a Special Use Permit shall comply with the criteria established for a permit and the policies and objectives of the General Plan and Community Plans of the County, the Hawaiʻi Revised Statutes, and the revised Charter of the County.

A Special Use Permit may be granted by the appropriate planning commission provided the following criteria have been met:

1. The proposed request meets the intent of the general plan, and the objectives and policies of the applicable community plan of the county;
2. The proposed request is consistent with the applicable community plan land use map of the county;
3. The proposed request meets the intent and purpose of the applicable district;
4. The proposed development will not adversely affect or interfere with public or private schools, parks, playgrounds, water systems, sewage and solid waste disposal, drainage, roadway and transportation systems, or other public requirements, conveniences, and improvements;

5. The proposed development will not adversely impact the social, cultural, economic, environmental, and ecological character and quality of the area;
6. That the public shall be protected from the deleterious effects of the proposed use;
7. That the need for public service demands created by the proposed use shall be fulfilled; and
8. If the use is located in the state agricultural and rural district, the commission shall review whether the use complies with the guidelines established in Section 15-15-95 of the rules of the land use commission of the state.

RECOMMENDATION

The Department recommends approval of the Change in Zoning for the subject application.

Change in Zoning

The Change in Zoning will change the Zoning District from “Agricultural” to “M-1, Light Industrial” on 100 acres and from “Agricultural” to “M-2, Heavy Industrial” on 100 acres and is subject to approval by the Council and to the following conditions:

1. That the permitted uses in the “M-1, Light Industrial” District shall be limited to those outlined in the following table:

M-1 Light Industrial
Any use permitted in a B-1, B-2, or B-3 business district except single-family dwellings, duplexes, bungalow courts, short-term rental homes, and transient vacation rentals
Dwelling units located in the same building as any non-dwelling permitted use
Assembly of electrical appliances, radios and phonographs including the manufacture of small parts such as coils, condensers crystal holders and the like
Carpet cleaning plants
Cold storage plants
Commercial laundries
Craft cabinet and furniture manufacturing
Education, specialized
Farm implement sales and service
General food, fruit and vegetable processing and manufacturing plants
Ice cream and milk producing, manufacturing and storage
Laboratories – experimental, photo or motion picture, film or testing
Light and heavy equipment and product display rooms, storage and service
Machine shop or other metal working shop
Manufacture, compounding or treatment of articles or merchandise from the following previously prepared materials: aluminum, bone, cellophane, canvas, cloth, cork, feathers, felt, fiber, fur, glass, hair,

horn, leather, plastics, precious or semi-precious metals or stones, shell, tobacco and wood
Manufacture, compounding, processing, packing or treatment of such products as candy, cosmetics, drugs, perfumes, pharmaceutical, toiletries, and food products. (except the rendering or refining of fats and oils)
Manufacture, dyeing and printing of cloth fabrics and wearing apparel
Manufacture of musical instruments, toys, novelties and rubber and metal stamps
Manufacture of pottery and figurines or other similar ceramic products
Milk bottling or central distribution stations
Plumbing shops
Production facility, multimedia
Radio transmitting and television stations; provided, that towers are of the self-sustaining type without guys
Replating shop
Retail lumberyard including mill and sash work (Mill and sash work shall be conducted within a completely enclosed building)
Small boat building
Soda water and soft drink bottling and distribution plants
Solar energy facilities
Tire repair operation including recapping and retreading
Utility facilities, minor, and substations up to, and including 69 kV transmission
Warehouse, storage and loft buildings
Wearing apparel manufacturing
Wholesale business, storage buildings, nonexplosive goods and warehouses

2. That the permitted uses and special uses in the “M-2, Heavy Industrial” District shall be limited to those outlined in the following table.

M-2 Heavy Industrial
Any use permitted in a B-1, B-2, and B-3 business district and M-1 light industrial district except single-family dwellings, duplexes, bungalow courts, short-term rental homes, and transient vacation rentals and apartments (Except for living quarters used by security/watchmen or custodians of an industrially used property)
Automobile wrecking, if conducted within a building
Boiler and steel works
Concrete or cement products manufacture
Factories
Junk establishment used for storing depositing, or keeping junk or similar goods for business purposes (Such establishment shall not be nearer than 8 feet from any other property line for the storage of the junk or similar goods except in buildings entirely enclosed with walls)
Lumber yard
Machine shops
Material recycling and recovery facilities
Oil storage plants
Petroleum products manufacture or wholesale storage of petroleum
Planing mill
Utility facilities, major

In general those uses which may be obnoxious or offensive by reason of emission of odor, dust, smoke, gas, noise, vibration and the like and not allowed in any other district. Provided, however, that any use not specified in this section shall not be permitted unless approved by the planning director as conforming to the intent of this title

M-2 Heavy Industrial Special Uses

- Asphalt manufacture of refueling and asphaltic concrete plant
- Rock, sand, gravel, or earth excavation, crushing or distribution

3. That the conditions associated with Decision & Order for Docket No. A19-809 approved by the State of Hawaii Land Use Commission shall be applicable to the project area.

The proposed zoning map is shown in **Exhibit 19**.

In consideration of the foregoing, the Planning Department recommends that the Lānaʻi Planning Commission adopt the Planning Department’s Report and Recommendation for the Change in Zoning prepared for the August 16, 2023, meeting as the Findings of Fact, Conclusion of Law and Decision and Order and authorize the Director of Planning to transmit said written Decision and Order to the Maui County Council on behalf of the Lānaʻi Planning Commission.

The Department recommends approval of the County Special Use Permit for the subject application.

County Special Use Permit

The Maui County Special Use Permit shall allow: 1) asphalt manufacture of refueling and asphaltic concrete plant, and 2) rock, sand, gravel or earth excavation, crushing or distribution subject to the following conditions:

1. That the County Special Use Permit shall be valid until August 31, 2033, subject to extension by the Planning Director upon a timely request for extension filed at least 90 days prior to its expiration. The Planning Director may forward the time-extension request to the Commission for review and approval and may require a public hearing on the time extension by the Commission.
2. That the County Special Use Permit shall not be transferred without the prior written approval of the Lānaʻi Planning Commission.
3. That the Applicant, its successors and permitted assigns shall exercise reasonable due care as to third parties with respect to all areas affected by subject County Special Use Permit and shall procure at its own cost and expense, and shall maintain during the entire period of this County Special Use Permit, a policy or policies of comprehensive liability insurance in the minimum amount \$1,000,000.00 naming the County of Maui as an additional insured, insuring and defending the

applicant and County of Maui against any and all claims or demands for property damage, personal injury and/or death arising out of this permit, including but not limited to: (1) claims from any accident in connection with the permitted use, or occasioned by any act or nuisance made or suffered in connection with the permitted use in the exercise by the applicant of said rights; and (2) all actions, suits, damages and claims by whomsoever brought or made by reason of the non-observance or non-performance of any of the terms and conditions of this permit. Proof of a policy naming County of Maui as an additional insured shall be submitted to the Department within ninety 90 calendar days from the date of transmittal of the decision and order.

4. That full compliance with all applicable governmental requirements shall be rendered by the Applicant.
5. That the Applicant shall submit to the Planning Department a digital copy of a detailed initial and final report addressing its compliance with the conditions established with the subject County Special Use Permit. A preliminary report shall be reviewed and approved by the Planning Department prior to issuance of a building permit. Additionally, a final compliance report shall be submitted to the Planning Department for review and approval prior to issuance of a certificate of occupancy.
6. That the Applicant shall develop the property in substantial compliance with the representations made to the Lānaʻi Planning Commission in obtaining the County Special Use Permit. Failure to so develop the property may result in the revocation of the permit.
7. That all exterior illumination shall consist of fully shielded downward lighting throughout the project.
8. That no quarrying operations shall be permitted on the subject site, without express written approval of the Lānaʻi Planning Commission.
9. That upon termination of the rock crushing facility and asphalt plant, all equipment and materials for rock crushing operations shall be removed and the site shall be restored in a manner to prevent erosion from wind and rain and in a manner that would not adversely affect natural drainage patterns.
10. That appropriate measures, as governed by the Department of Health, shall be taken during the operation of the rock crushing facility and asphalt plant to mitigate impacts relative to dust and soil erosion by wind and water and increased ambient noise levels.
11. That the hours of operations of the rock crushing facility and asphalt plant shall be limited to the period beginning at 7:00 a.m. and ending at 3:30 p.m. Monday thru Saturday.
12. That the Applicant shall monitor haulers to and from the rock crushing facility and asphalt plant for potential leakage of materials from their loads and maintain the

driveway to the plant, removing loose aggregate and other debris associated with their operation

In consideration of the foregoing, the Planning Department recommends that the Lāna'i Planning Commission adopt the Planning Department's Report and Recommendation for the County Special Use Permit prepared for the August 16, 2023, meeting as its Findings of Fact, Conclusions of Law, and Decision and Order, approve the County Special Use Permit contingent upon the County Council passage of the associated Change in Zoning, and to authorize the Director of Planning to transmit said written Decision and Order on behalf of the Lāna'i Planning Commission.

APPROVED:


KATHLEEN ROSS AOKI
Planning Director

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