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May 16, 2022

VIA –– EMAIL

Director Michele Chouteau McLean
Department of Planning
County of Maui
2200 Main Street, Suite 619
Wailuku, HI 96793

Re: PH1 2021/0001, CPA 2021/0001, and CIZ 2021/0001; Lāna'i Planning Commission Agenda Item B1

Dear Director McLean:

I represent Lāna'i Resorts dba Pūlama Lāna'i ("**Pūlama**"). Pūlama has applied for a Community Plan Amendment, Change in Zoning and Phase 1 Project District Amendment for the Kō'ele Project District. These actions will reduce the allowed Residential and Multi-Family, reduce the amount of Golf Course acreage and increase the amount of Open Space and Park acreage.

The Planning Department ("**Department**") recommends that the Lāna'i Planning Commission ("**Commission**") approve the applications subject to conditions, including Condition 9, which the Department submits to the Commission "for further deliberation and recommendation to the Maui County Council" ("**Council**"). *See* Ecnl. 1 (Staff Report) at 34. Condition 9 carries forward a condition on the existing Kō'ele Project District that requires Pūlama to construct a bypass road "within 2 years of the date that an occupancy rate of 50% of the total number" of residential units "specified in the Kō'ele Project District is reached." Ecnl. 1 (May 18, 2022 Staff Report ("**Staff Report**")) at 45; *see also* Ord. 2140.

Approval of the application should not be subject to Condition 9. First, the development of the bypass road is not required for consistency with the Lāna'i Community Plan ("**CP**"). Second, the Department's conclusion that the trigger for Condition 9 is "not defined by the units proposed on a specific date or plan version" is incorrect. On the contrary, the trigger for Condition 9 has not been met, and if the applications are approved, the trigger will never be met. Finally, in the context of proposed actions that will reduce the impact of the project, imposing Condition 9 would be unconstitutional. I explain each point below.

I. FACTUAL BACKGROUND

The Kō‘ele Project District was established in 1986. *See* Ord. 1580; Ord. 1581. In 1992, the former owner sought an amendment to the project district ordinance and conditional zoning. The requests were approved on August 7 and 13, 1992 (together, the "**Bills**"), respectively. *See* Ord. 2139; Ord. 2140. The conditional zoning ordinance, Ordinance 2140, imposed ten conditions in connection with the Kō‘ele Project District, including Condition 9.

In full, Condition 9 states:

> 9. Declarant shall a) build a by-pass road, similar in concept to the road as shown in the Lanai Community Plan, Exhibit E, adopted April 5, 1983, in conformance with the standards of the County, as approved by the Director of Public Works, and b) dedicate, in fee simple absolute, free and clear of all mortgage and lien encumbrances, the constructed by-pass road to the County, at no cost to the County, within 2 years of the date that an occupancy rate of **50% of the total number of single family and multifamily units [(together, "Residential Units")] specified in the Koele Project District** is reached; provided, however, that this condition may be eliminated by the County Council if a traffic engineer provides a report showing that the roadway system then existing (within two years of reaching 50% occupancy) in and around Lanai City is not determined to be operationally substandard under the level of rating criteria of the American Association of State Highway and Transportation Officials.

Ord. 2140.[1]

Under Ordinance 2140, the requirement to construct the bypass is triggered when the number of "single family and multifamily units specified" in the Kō‘ele Project District are developed and occupied. The Committee Report recommending passage of Ordinance 2140 provides, "[u]sing the acreages and density allowed by the provisions of the Kō‘ele Project District, there would be [] **502 single[-]family units** and **132 multi-family units**," for a total of 634 Residential Units. *See* Encl. 3 (Comm. Rep. No. 92-81 (1992)) at 16-17 (emphases added). Thus, the threshold number of Residential Units to trigger Condition 9 is 50 percent of 634 or **317 Residential Units**.

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[1] Condition 9 was imposed even though the Traffic Impact Assessment Report commissioned to study the impacts of the proposed amendments to the Kō‘ele Project District did not recommend the development of a bypass road to mitigate traffic impacts. *See* Encl. 2 at 16 (1992 Staff Report). Instead, improvements to four intersections were recommended. *Id.*

The pending applications proposes a total of **110 Residential Units** in the Kō‘ele Project District. If the applications are approved, the Kō‘ele Project District will never trigger the 317-unit threshold contemplated by Condition 9.

The State Department of Transportation ("**HDOT**") determined that Condition 9 is no longer necessary given the reduction in total Residential Units within the Project District. *See* Encl. 4 (HDOT Letter). HDOT further determined that the number of units contemplated within the proposed Project District will result in little to no additional traffic. *Id.* Indeed, at full build-out, HDOT assessed the Kō‘ele Project District is anticipated to operate at Level of Service ("**LOS**") B or better. *Id.* at 2. In short, the bypass is unnecessary. *See id.*

Despite HDOT's determinations, the Department recommends imposing Condition 9 on the approval of the applications. *See* Encl. 1 (Staff Report). According to the Staff Report, the CP requires the bypass and the number of Residential Units required to trigger the bypass is "not defined by the units proposed on a specific date or plan version." *See* Encl. 1 (Staff Report) at 34. The Staff Report is wrong in its premise and conclusion.

II. DISCUSSION

Imposing Condition 9 on applications to reduce the density of the Kō‘ele Project District is not required by the CP, is not supported by the text of Ordinance 2140 and is unconstitutional.

A. The CP Does Not Require Condition 9.

The CP plans for the proposed bypass but does not connect its development to the Kō‘ele Project District. In relevant part, the CP provides, "Roadway extensions and new roads are illustrated on Map 7.2, Transportation: Existing & **Proposed**, and are as follows: . . . Lāna‘i City Bypass Road will connect Kaumālapa‘u Highway to the southern terminus of Keomuku Road at Lāna‘i Avenue, along the western edge of the Lāna‘i City Expansion area." CP at 7-18 (emphasis added). As the text makes clear, the CP does not direct Pūlama to construct the bypass or require the development of the bypass in connection with the Kō‘ele Project District. The CP merely proposes a bypass in the future.

B. Condition 9 Is Tied to the Number of Residential Units that Were Approved for Development in Connection with the 1992 Conditional Zoning.

Condition 9 provides that the bypass must be built within "two years of the date that an occupancy rate of 50% of the total number of single family and multifamily units **specified** in the Kō‘ele Project District is reached." Ord. 2140 (emphasis added).

The Staff Report asserts that the number of units necessary to trigger the condition is "not defined by the units proposed on a specific date or plan version." On the Contrary, the phrase "**specified** in the Kō'ele Project District" refers to a specific number. Committee Report 92-81 specified that "there would be [] 502 single[-]family units and 132 multi-family units" for a total of 634 Residential Units in the District. *See* Encl. Comm. Rep. No. 92-81 (1992). Fifty percent of 634 units is 317 units, which means 317 units must be built and occupied for two years before the Condition has been triggered. Since the application seeks to reduce number of Residential Units in the Kō'ele Project District to 110, the application does not trigger Condition 9.[2]

C. It Would Be Unconstitutional to Condition Approval of the Application on Condition 9.

In its federal and state forms, the Takings Clause "bars Government from forcing some people alone to bear public burdens which, in all fairness and justice, should be borne by the public as a whole."[3] *Armstrong v. United States*, 364 U.S. 40, 49 (1960) (emphasis added). "Extortionate demands for property in the land-use permitting context run afoul of the Takings Clause not because they take property but because they impermissibly burden the right not to have property taken without just compensation." *Koontz v. St. Johns River Water Mgmt. Dist.*, 570 U.S. 595, 607 (2013) (conditioning approval of a land use permit on landowner's funding of off-site mitigation projects on public lands constituted an unconstitutional exaction).

In accord with these principles, conditions on land use development violate the Takings Clause unless they meet the standards of *Nollan v. California Coastal Commission*, 483 U.S. 825 (1987) and *Dolan v. City of Tigard*, 512 U.S. 374 (1994). Taken together, *Nollan* and *Dolan* require "'nexus' and 'rough proportionality' between the property the government demands and the social costs" of the proposed development. *Koontz*, 570 U.S. at 605–06. The Condition 9 fails both elements of the test.

The applications propose to place more land in Park and Open Space and reduce the density of the residential development by 70 percent. The HDOT has determined that the bypass is not warranted given the limited traffic impact from the Kō'ele Project District. The County Department of Public Works does not disagree. *See* Encl. 1 (Staff Report) at Exhibit 6. Indeed, even the Department recognizes that the bypass

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[2] Even if we used the 355 units that were approved in 1992 during Phase II and Phase III of Step 1, the application would not trigger Condition 9. Fifty percent of 355 units is 178 units.

[3] The Takings Clause of the Fifth Amendment provides that private property shall not "be taken for public use, without just compensation." *Lingle v. Chevron U.S.A., Inc.*, 544 U.S. 528, 536 (2005) (internal quotations omitted); *see also* HAW. CONST. art. 1, §20 ("Private property shall not be taken or damaged for public use without just compensation.").

is "not really needed" given the proposed reduction in density. Since requiring development of a new bypass presupposes the need for the bypass but the applications do not create the need for a bypass, there is no nexus between the proposed uses and Condition 9.

Even assuming a nexus existed, requiring the development of a bypass where no traffic impact will result from the proposed uses would not be "roughly proportional." *See All. for Responsible Plan. v. Taylor*, 63 Cal. App. 5th 1072, 1085 (2021) (concluding *inter alia* community plan amendment conditioning discretionary approvals on completion of traffic improvements that required developer to "complete improvements addressing impacts beyond its own" was unconstitutional under *Dolan*); *c.f. City of Carrollton v. RIHR Inc.*, 308 S.W.3d 444, 450 (Tex. App. 2010) (concluding conditioning permit approval upon landowners paying fee for remediation of retention wall not related to the properties was unconstitutional).

The bypass would connect Kaumālapaʻu Highway to Keomuku Road at Lānaʻi Avenue along the western edge of the Lānaʻi City Expansion area. The 110 Residential Units proposed by the amended Kōʻele Project District are anticipated to generate 50 additional trips during AM peak hours and 91 trips during PM peak hours. *See* Encl. 1 (Staff Report) at 33. Accounting for the traffic impact of the proposed uses and even for the impact of other projects, the level of service at the relevant intersections is projected to operate within acceptable limits. As noted above, the TIAR that was prepared for the Kōʻele Project District, which previously proposed greater density than the applications, projected the four studied intersections to operate at LOS B or better. *See id.* at 32. Current traffic studies confirm the roadway network on Lānaʻi will continue to operate similar to existing LOS B conditions at full development of Kōʻele Project District. *See id.* at 34; Encl. 4 (HDOT Letter) at 2. Requiring a bypass to service, at maximum, 91 additional trips that will have little to no impact on existing traffic conditions violates all concepts of proportionality.

Claiming that the CP requires the bypass does not transform the condition into a constitutional exercise of County power. If it were otherwise, the government could shield from constitutional scrutiny an endless list of public improvements. Everything from new highways to wastewater plants to schools would avoid nexus and proportionality requirements merely because one plan or another called for them.

The Constitution always applies. Under the Constitution, where there is no nexus between the required mitigation and project's impacts, "the government's demand for the exaction is not a legitimate exercise of its police power, but an out-and-out plan of extortion."[4] *Nollan*, 483 U.S. at 837. Building a bypass road for 110 Residential

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[4] It would not matter if the County denied the application unless Pūlama accepted Condition 9. Constitutional mandates do not "change depending on whether the government approves a permit on the condition that the applicant turns over property or denies a permit because the applicant refuses to do so." *Koontz*, 570 U.S. at 606.

Units, when neither the public nor private review concludes that the units generate a need for the bypass, is unconstitutional.

III. CONCLUSION

Respectfully, including Condition 9 in the Staff Report is based on an inaccurate analysis of the CP, the Project District and the law. The condition should be removed. I welcome the opportunity to discuss this matter with you further.

Very truly yours,

Calvert G. Chipchase

for

CADES SCHUTTE

A Limited Liability Law Partnership

Enclosures

cc: Encl. 1 Staff Report
Encl. 2 1992 Staff Report
Encl. 3 Committee Report No. 92-81 (1992)
Encl. 4 HDOT Letter

ENCLOSURE 1

-BEFORE THE LĀNA'I PLANNING COMMISSION

COUNTY OF MAUI

STATE OF HAWAI'I

In the Matter of the Application of **LANAI RESORTS, LLC, A HAWAI'I LIMITED LIABILITY COMPANY DOING BUSINESS AS PŪLAMA LĀNA'I** To obtain a Project District Phase I Amendment, Community Plan Amendment, and Change of Zoning for properties located in Lāna'i Project District 2 (Kō'ele) identified as Maui Tax Map Key Nos. (2)4-9-001:021, 024, 025(por.), 027, 030, (2)4-9-002:001(por.), 061(por.), (2)4-9-018:001, 002(por.), 003(por.), 004, 005, (2)4-9-020:020(por.), and (2)4-9-021:009; Kō'ele, Lāna'i, Hawai'i	DOCKET NUMBERS PH1 2021/0001 CPA 2021/0001 CIZ 2021/0001 **LANAI RESORTS, LLC, A HAWAI'I LIMITED LIABILITY COMPANY DOING BUSINESS AS PŪLAMA LĀNA'I** Kō'ele Amendments (KW)

DEPARTMENT OF PLANNING
REPORT AND RECOMMENDATION
MAY 18, 2022 MEETING

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

Project District Phase I Amendment PH1 2021/0001
Community Plan Amendment CPA 2021/0001
Change of Zoning CIZ 2021/0001

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BEFORE THE LĀNA'I PLANNING COMMISSION

COUNTY OF MAUI

STATE OF HAWAI'I

In the Matter of the Application of **LANAI RESORTS, LLC, A HAWAI'I LIMITED LIABILITY COMPANY DOING BUSINESS AS PŪLAMA LĀNA'I** To obtain a Project District Phase I Amendment, Community Plan Amendment, and Change of Zoning for properties located in Lāna'i Project District 2 (Kō'ele) identified as Maui Tax Map Key Nos. (2)4-9-001:021, 024, 025(por.), 027, 030, (2)4-9-002:001(por.), 061(por.), (2)4-9-018:001, 002(por.), 003(por.), 004, 005, (2)4-9-020:020(por.), and (2)4-9-021:009; Kō'ele, Lāna'i, Hawai'i	DOCKET NUMBERS PH1 2021/0001 CPA 2021/0001 CIZ 2021/0001 **LANAI RESORTS, LLC, A HAWAI'I LIMITED LIABILITY COMPANY DOING BUSINESS AS PŪLAMA LĀNA'I** Kō'ele Amendments (KW)

DESCRIPTION OF THE PROJECT

Lanai Resorts, LLC, a Hawai'i limited liability company doing business as Pūlama Lāna'i (Applicant), is proposing to amend the boundaries of Lāna'i Project District 2 (Kō'ele), otherwise referred to as the "Kō'ele Project District" or "Project District", by adding new acreage, removing existing acreage, and adjusting the sub-designations (specific land uses) within the Project District.

A Finding of No Significant Impact for a Final Environmental Assessment (EA) was accepted by the Lāna'i Planning Commission (LPC) on January 19, 2022. A copy of the Final EA may be accessed via hyperlink on the State of Hawai'i's Office of Planning and Sustainable Development's Environmental Review Program (ERP) website, which archives *The Environmental Notice* publications. The Final EA publication date was February 8, 2022 (https://files.hawaii.gov/dbedt/erp/The_Environmental_Notice/2022-02-08-TEN.pdf).

Links to the Final EA and the project applications are also provided in the agenda posted for the LPC meeting of May 18, 2022. Please note that frequent references to the Final EA will be made throughout this Staff Report so please refer back to the Final EA for pertinent information.

Additionally, the Final EA documents may be found on the ERP website using the following links as shown below:

Volume I of II – Final Environmental Assessment
https://files.hawaii.gov/dbedt/erp/Doc_Library/2022-02-08-LA-FEA-Koele-Project-District-Amendment-Vol-I.pdf

Volume II of II – Final Environmental Assessment Appendices
https://files.hawaii.gov/dbedt/erp/Doc_Library/2022-02-08-LA-FEA-Koele-Project-District-Amendment-Vol-II.pdf.

Within the Final EA are the status reports for both Maui County Ordinance 2140 and for State Land Use Commission Docket A90-662. See pages REF-225 to REF-271 in the Final EA for the Ordinance 2140 Status Report and pages REF-272 to REF-385 for the Land Use Commission Docket A90-662 Status Report.

Further, the Applicant also seeks to amend Chapter 19.71 Lanai Project District 2 (Kō'ele) established by Maui County Ordinance to align with existing and future uses without changing the original intent of the Kō'ele Project District. Maui County Ordinances passed in 1986 and in 1992 established and revised the Kō'ele Project District to provide guidance for the development within the Project District.

No construction activities are included in this proposal. However, the scale of future development and construction activities, shall be limited by the generation of outputs and impacts as well as the consumption of resources and services that have been disclosed and analyzed by this Change of Zoning Amendment Application and associated submittals. Future construction shall also be subject to a Project District Phase II Application process, which is subject to public review and approval by the LPC at which time specific project impacts will be further evaluated.

The Applicant seeks to amend the boundaries of the Kō'ele Project District in order to significantly reduce the already low density by decreasing the amount of Residential and Multi-Family (Project District sub-designations) acres, significantly increasing the amount of Open Space and Park (Project District sub-designations) acres, and by reducing the Golf Course (Project District sub-designation) acreage. The proposed amendments increase the acreage in the Hotel sub-designation, accounting for existing uses (e.g., entrance of hotel, mini-golf putting course, etc.) and potential future uses. The proposed amendments also create a new Resort Commercial sub-designation, which encompasses the existing Stables and Tennis Courts and includes currently undeveloped areas which are envisioned to support Sensei Lāna'i, A Four Seasons Resort operations. The proposed changes will ultimately reduce the total acreage in the Kō'ele Project District by eight percent. See **Exhibit 1** for existing project district map and **Exhibit 2** for proposed. **Table 1** and **Table 2** below, summarize the new Tax Map Key (TMK) parcel that will be added to the Project District and those that will be completely removed from the existing Project District.

Table 1. New Tax Map Key Parcel to be Added to the Kō'ele Project District

TMK	Acreage	Address	Owner
(2)4-9-02: Por. 01	11.54	Keōmuku Highway	Lāna'i Resorts, LLC dba Pūlama Lāna'i

Table 2. Tax Map Key Parcel to be Completely Removed from the Kō'ele Project District

TMK	Acreage	Address	Owner
(2)4-9-01:21	-0.632	Nininiwai	Lāna'i Resorts, LLC dba Pūlama Lāna'i
(2)4-9-01:24	-11.494	726 Queens Street	Lāna'i Resorts, LLC dba Pūlama Lāna'i
(2)4-9-01: 25 (Por.)	-5.527	Sixth Street	Lāna'i Resorts, LLC dba Pūlama Lāna'i

TMK	Acreage	Address	Owner
(2)4-9-01:27	-1.151	Kona Wai Place	Lāna'i Resorts, LLC dba Pūlama Lāna'i
(2)4-9-01:30	-0.606	818 Queens Street	Stephen Becker and Elisabeth Grove Trust
(2)4-9-18:05	-1.312	Lauhala Place	Lāna'i Resorts, LLC dba Pūlama Lāna'i
(2)4-9-21:09	-11.827	Kaunaoa Drive	Lāna'i Resorts, LLC dba Pūlama Lāna'i

Table 3 is a summary of the total acreage of the existing and proposed Project District by sub-designations. **Table 4** is a summary of all the TMKs affected by the proposed action, their addresses, acreages, and correlating information regarding the Project District's existing and proposed designations according to the State Land Use designation, Maui County Zoning, Lāna'i Community Plan, and Project District sub-designation. TMKs noted in red are those proposed to be completely removed from the Project District while the TMK noted in green is the new TMK proposed to be added to the Project District.

Table 3. Existing and Proposed Kō'ele Project District Sub-Designations and Total Acreage

Project District Sub-Designation	Existing Acreage	Proposed Acreage
Hotel	21.1	45.4
Multi-Family	26.0	18.7
Residential	214.0	48.8
Park	11.5	234.9
Open Space	12.0	80.8
Golf	332.4	78.0
Public	1.0	0
Resort Commercial	0	75.4
Stables and Tennis Courts	14.5	0
Total	**632.5**	**582.0**

Source: R.M. Towill Corporation.

Table 4.
Existing and Proposed (Black Column) Land Use Designations
(i.e., State Land Use, Maui County Zoning, Lāna'i Community Plan, and Kō'ele Project District Sub-designations)
for Affected Parcels

TMK	Address	Acreage in Project District		State Land Use Designation		Maui County Zoning		Lāna'i Community Plan Designation		Kō'ele Project District Designation	
		Existing	Proposed	Existing	Proposed	Existing	Proposed	Existing	Proposed	Existing	Proposed
[2] 4-9-001: 021	NININIWAI	0.632	0	Urban	Urban	PD-L/2 (Kō'ele)	R-3, Residential	Project District	Single-Family Residential	Residential	Remove from Project District
[2] 4-9-001: 024	726 QUEENS ST	11.494	0	Urban	Urban	PD-L/2 (Kō'ele)	R-3, Residential	Project District	Single-Family Residential	Residential	Remove from Project District
[2] 4-9-001: 025 (portion)	SIXTH ST	5.527	0	Urban	Urban	PD-L/2 (Kō'ele)	R-3, Residential	Project District	Single-Family Residential	Residential	Remove from Project District
[2] 4-9-001: 027	KONA WAI PL	1.151	0	Urban	Urban	R-3 Residential	R-3, Residential	Single-Family Residential	Single-Family Residential	Residential	Remove from Project District
[2] 4-9-001: 030	818 QUEENS ST	0.606	0	Urban	Urban	PD-L/2 (Kō'ele)	R-3, Residential	Project District	Single-Family Residential	Residential	Remove from Project District
[2] 4-9-002: 001 (portion)	1007 MIKI RD	0	11.54	Rural	Urban	Interim	PD-L/2 (Kō'ele)	Open Space	Project District	Not included in Project District	Hotel
[2] 4-9-002: 061 (portion)	KAUMALAPAU HWY	14.5	75.4	Rural/Agriculture	Urban	AG, Agriculture/ PD-L/2 (Kō'ele)	PD-L/2 (Kō'ele)	Agricultural/ Project District/ Rural	Project District	Not included in Project District/Stables & Tennis Courts	Resort Commercial
[2] 4-9-018: 001	1 KEOMOKU HWY	21.772	24.829	Urban	Urban	PD-L/2 (Kō'ele) / Interim	PD-L/2 (Kō'ele)	Project District	Project District	Hotel / Golf	Hotel
[2] 4-9-018: 002 (portion)	916 NINTH ST	202.752	164.617	Urban	Urban	PD-L/2 (Kō'ele) / AG, Agriculture	PD-L/2 (Kō'ele) / Open Space	Project District	Project District / Open Space	Golf / Residential/ Multi-Family / Open Space / Park	Park / Open Space / Residential
[2] 4-9-018: 003 (portion)	476 LAUHALA PL	319.088	267.525	Urban/ Agriculture	Urban	PD-L/2 (Kō'ele) / Interim	PD-L/2 (Kō'ele) / Open Space	Project District / Park / Golf Course	Project District / Open Space	Golf / Residential/ / Public	Park / Golf / Hotel / Residential
[2] 4-9-018: 004	QUEENS AVE	4.953	5	Urban	Urban	PD-L/2 (Kō'ele)	PD-L/2 (Kō'ele)	Project District	Project District	Residential / Park	Open Space
[2] 4-9-018: 005	LAUHALA PL	1.312	0	Urban	Urban	PD-L/2 (Kō'ele)	R-3, Residential	Project District	Single-Family Residential	Residential	Remove from Project District
[2] 4-9-020: 020 (portion)	KAUNOA DR	5.327	0.179	Urban	Urban	PD-L/2 (Kō'ele) / (Road)	PD-L/2 (Kō'ele) / (Road)	Project District	Project District / (Road)	Multi-Family /Residential / Golf	Multi-Family
[2] 4-9-021: 009	KAUNAOA DR	11.827	0	Urban	Urban	PD-L/2 (Kō'ele)	Open Space	Project District	Open Space	Residential/ Multi-Family	Remove from Project District

In addition to amending the boundaries of the Kō'ele Project District, the Applicant also seeks to make revisions to the guiding ordinance for the Kō'ele Project District. Maui County Code (MCC), Chapter 19.71, upon adoption, established the sub-designations and acreages of each within the Project District, as well as standards for development within the Project District in general, in addition to specific standards for development applicable to each sub-designation. The proposed changes to Chapter 19.71 include changes to the total acreages of the sub-designations within the existing Project District as well as changes to provisions of the chapter relative to permitted uses, accessory uses, special uses, and development standards for various sub-designations within the Project District. The proposed revisions to MCC, Chapter 19.71, are provided herein as **Exhibit 3** in a red-lined version and revised version.

It is noted that although the proposed amendments facilitate opportunities for future development within the Kō'ele Project District, the currently proposed action does not involve any construction activities. The purpose of these application requests is to update the Kō'ele Project District boundaries and sub-designations that were adopted in 1986 and 1992 to accurately reflect current land uses in a changed environment. The proposed action also brings the Kō'ele Project District map in synchrony with the Lāna'i Community Plan map. It is noted that any proposed future development within the Project District will need to follow the appropriate Project District permitting procedures outside of the subject applications, as described in the Project District application process. Future construction activities, shall be subject to a Project District Phase II Application process, which is subject to public review and approval by the LPC.

It is further noted that the purpose and intent of the Kō'ele Project District remain unchanged; its existing and continued purpose and intent are to provide for a flexible and creative approach to low-density development at Kō'ele that is supportive of the Sensei Lāna'i, a Four Seasons Resort and complementary and supportive of services offered in the adjoining Lāna'i City.

BRIEF HISTORY OF APPLICATIONS

The Kō'ele Project District was initially established in 1986 via Ordinances 1580 and 1581 and amended in 1992 via Ordinances 2139 and 2140, which were approved by the Maui County Council (Council). A District Boundary Amendment (DBA) from the State Land Use Commission (LUC) was also obtained in 1990 to redistrict portions of land for inclusion in the Kō'ele Project District. Reports addressing the Applicant's compliance with the conditions of Ordinance 2140 and LUC Docket A90-662 for the original DBA are provided in the Final EA, with links to the document and page numbers for the status reports noted in aforementioned Project Description section. Within the Final EA are the status reports for both Maui County Ordinance 2140 and for State Land Use Commission Docket A90-662. See pages REF-225 to REF-271 for Ordinance 2140 Status Report and pages REF-272 to REF-385 for Land Use Commission Docket A90-662 Status Report.

Of note is the Applicant's response to LPC's comment # 33 stated in the LPC letter of September 29, 2021 found on page REF-178 of the Final EA, A summary table is provided on page REF-225 indicating the status of each condition. Also included is a compendium of documents demonstrating that the conditions have been met. Condition 5 of Ordinance 2140 regarding the Cavendish golf course, will be carried forward as part of the conditions for the subject applications. Condition 9 of Ordinance 2140, regarding the by-pass road has been commented on by the State of Hawai'i Department of Transportation Deputy Directory of Highways, included as **Exhibit 4**. Condition 9 of Ordinance 2140 is not necessary for the subject applications. The by-pass road was not analyzed by the Department of Public Works, included as **Exhibit 6**

This matter arises from applications filed on May, 21, 2021, for a Project District Phase 1 (PH1) Amendment, Community Plan Amendment (CPA), and Change of Zoning (CIZ) by the Applicant's consultant.

A Finding of No Significant Impact for a Final EA was accepted by the LPC on January 19, 2022. The Final EA publication date was February 8, 2022.

DESCRIPTION OF THE PROPERTIES

1. The affected properties are identified as TMK Nos. (2)4-9-001:021, 024, 025(por.), 027, 030, (2)4-9-002:001(por.), 061(por.), (2)4-9-018:001, 002(por.), 003(por.), 004, 005, (2)4-9-020:020(por.), and (2)4-9-021:009.

   The current Project District encompasses 632.5 acres. Although 72.44 acres are proposed to be added, there will be a net decrease in overall acreage within the Project District as a result of the proposed amendments. Following the proposed amendments, the total acreage of the Project District will be 582.0.

2. Land Use Designations

   Refer to **Table 4** for State Land Use, Community Plan, Maui County Zoning, and Project District designations.

3. Surrounding Uses --

North --	Vacant, undeveloped lands
East --	Vacant, undeveloped lands
South --	Lāna'i City and vacant, undeveloped lands
West --	Lāna'i City

APPLICABLE REGULATIONS

Project District Phase I Amendment

A PH1 Amendment is reviewed pursuant to Title 19 Zoning, Chapter 19.45 Project District Processing Regulations, Section 19.45.050 Processing Procedures, and Chapter 19.510 Application and Procedures, Section 19.510.020 Applications Which Require a Public Hearing; MCC, 1980, as amended.

Community Plan Amendment

A CPA is reviewed pursuant to Title 2 Administration and Personnel, Chapter 2.80B General Plan and Community Plans, Section 2.80B.110 Nondecennial Amendments to Community Plans Proposed by a Person, and Title 19 Zoning, Chapter 19.510 Application and Procedures, Section 19.510.020 Applications Which Require a Public Hearing; MCC, 1980, as amended.

Change of Zoning

A CIZ is reviewed pursuant to Title 19 Zoning, Chapter 19.510 Application and Procedures, Section 19.510.020 Applications Which Require a Public Hearing, and Section 19.510.040

Change of Zoning; MCC, 1980, as amended

PROCEDURAL MATTERS

1. On **April 29, 2021**, the Applicant mailed a "Notice of Application" and location map to all owners and recorded lessees within 500 feet of the subject properties describing the CPA and CIZ applications, by regular mail. Copies of the letters, location maps, list of owners and recorded lessees, and Affidavit of Mailing are on file in the Planning Department.

2. On **May 21, 2021**, the PH1 Amendment, CPA, and CIZ applications were filed with the Planning Department along with a supporting Draft EA.

3. On **July 30, 2021**, the Applicant filed revised PH1 Amendment, CPA, and CIZ applications. The applications were revised to address comments received during initial review by Planning Department staff.

4. On **September 8, 2021**, the Draft EA in support of the PH1 Amendment, CPA, and CIZ applications was published in the Environmental Review Program's (formerly the Office of Environmental Quality Control) Environmental Notice bulletin.

5. On **September 15, 2021**, the Applicant appeared before the Lānaʻi Planning Commission (LPC) to receive comments on the Draft EA.

6. On **January 19, 2022**, the LPC reviewed the preliminary Final EA and issued a Finding of No Significant Impact (FONSI) determination.

7. On **February 8, 2022**, the Final EA and FONSI determination was published in the Environmental Notice bulletin.

8. On **April 1, 2022,** the Maui Planning Department mailed a notice to the Applicant and appropriate state and county agencies notifying them of the scheduled public hearing.

9. On **April 13, 2022**, the Applicant mailed a "Notice of Public Hearing" and location map to all owners and recorded lessees within 500 feet of the subject properties describing the applications, notifying them of the scheduled public hearing date, time and place by either certified or registered mail, return receipt. Copies of the letters, location maps, list of owners and recorded lessees, certified and registered mail receipts and return receipts are on file in the Planning Department.

10. On **April 8, 15, and 22, 2022,** a "Notice of Public Hearing" on the applications was published in a newspaper of public circulation in the county once a week for three consecutive weeks prior to the hearing date by the Applicant.

11. On **April 15, 2022**, a "Notice of Public Hearing" on the applications was published in the Maui News and Honolulu Star Advertiser by the Maui Planning Department.

REVIEWING AGENCIES

The PH1 Amendment, CPA, and CIZ applications were made available for review by a number of Federal, State, and County agencies and organizations in congruence with the Draft EA public comment period. A list of parties who received the document, comment letters received during the public comment period, and responses to each are included as Chapter IX of the Final EA.

ANALYSIS

LAND USE

1. **State Land Use –**

The existing Kō'ele Project District is located on lands designated "Urban" by the State LUC. Approximately 72.44 acres of land that is proposed to be added to the Project District are located on lands designated as "Rural" and "Agricultural".

In order to establish the proposed uses consistent with the existing Project District, a DBA from the "Rural" and "Agricultural" districts to the "Urban" district will be required from the LUC for those 72.44 acres being added to the Project District, in accordance with criteria set forth in the Hawai'i Administrative Rules (HAR). A separate DBA petition will be prepared and filed with the LUC by the Applicant's land use attorney. An analysis of the criteria for a DBA as it relates to the proposed project is provided below.

Land Use Commission Rules, Chapter 15-15, HAR

Reclassification of the subject lands must meet the following standards of the "Urban" district as set forth in the Land Use Commission Rules, Chapter 15-15-18, HAR:

1. *It shall include lands characterized by "city-like" concentration of people, structure, streets, urban level of services and other related land uses.*

Response: The subject action involves a reclassification of district boundaries to add additional lands to the existing Kō'ele Project District. The proposed reclassification of vacant, undeveloped lands will complement the existing, adjacent uses within the Kō'ele Project District and will support the Project District's intended purpose of fostering resort and resort-related uses surrounding the Sensei Lāna'i, a Four Seasons Resort.

2. *It shall take into consideration the following specific factors:*
   - *A. Proximity to centers of trading and employment except where the development would generate new centers of trading and employment.*
   - *B. Availability of basic services such as schools, parks, wastewater systems, solid waste disposal, drainage, water, transportation systems, public utilities, and police and fire protection.*
   - *C. Sufficient reserve areas for foreseeable urban growth.*

Response: (A.) The lands proposed for reclassification would be located adjacent to the existing Kō'ele Project District and would complement existing uses. (B.) The lands proposed for reclassification are not the subject of currently proposed development actions. However, at such time that these lands would be developed, it is anticipated that they would be able to be serviced by existing infrastructure systems currently serving the

Kō'ele Project District, and would not require the provision of other public services. (C.) The lands proposed for reclassification have been identified as a logical area for inclusion in the existing Kō'ele Project District due to its proximity to the Project District and existing infrastructure systems.

3. *It shall include lands with satisfactory topography, drainage, and reasonably free from danger of any flood, tsunami, unstable soil condition, and other adverse environmental effects.*

Response: The elevation of the project area is approximately 1,600 to 2,000 feet above mean sea level (amsl) at the foothills of Lāna'i Hale. The topography is moderate below the breakline of the foothills. Existing drainage tributaries convey water from the site through existing drainage ditches and gulches to downstream properties. In addition, due to the Project District's mauka location, it is located outside of flood hazard zones, the tsunami evacuation area, and the projected sea level rise exposure area.

4. *Land contiguous with existing urban areas shall be given more consideration than non-contiguous land, and particularly when indicated for future urban use on state or county general plans.*

Response: As mentioned previously, the lands proposed for expansion are located adjacent to the existing Kō'ele Project District and will complement existing uses located therein.

5. *It shall include lands in appropriate locations for new urban concentrations and shall give consideration to areas of urban growth as shown on the state and county general plans.*

Response: The lands proposed for reclassification are located adjacent to the existing Kō'ele Project District and as such, have been identified as a logical area for inclusion in the Project District.

6. *It may include lands which do not conform to the standards in paragraph (1) to (5):*
   A. When surrounded by or adjacent to existing urban development; and
   B. Only when those lands represent a minor portion of this district

Response: The proposed reclassification area includes lands which conform to the standards in paragraphs (1) to (5). The lands which are proposed for reclassification represent a small portion of the remaining available agricultural lands on Lāna'i and in the State.

7. *It shall not include lands, the urbanization of which will not contribute toward scattered spot urban development, necessitating unreasonable investment in public infrastructure or support services.*

Response: The land proposed to be reclassified and added to the Kō'ele Project District are intended to meet future resort and resort-related land use requirements, which is the intended purpose of the Kō'ele Project District. The lands are located adjacent to the existing Project District and will be integrated with the existing infrastructure and public services on Lāna'i. As such, the urbanization of the project area would not contribute

towards scattered development, but would complement the existing adjacent Project District.

8. *It may include lands with a general slope of twenty percent or more if the commission finds that those lands are desirable and suitable for urban purposes and that the design and construction controls, as adopted by any federal, state or county agency, are adequate to protect the public health, welfare and safety, and the public's interest in the aesthetic quality of the landscape.*

Response: The topography of the area is moderate, and while slopes range from 0 to 30 percent, the lands are adjacent to the existing urban uses of the Kō'ele Project District. At such time that these lands may be developed, they will be developed in accordance with all Federal, State, and County regulations, and will not impact the public health, welfare, or safety, nor the public's interest in the aesthetic quality of the area.

2. **Hawai'i State Plan** –

The assessment presented below summarizes the objective(s) for applicable policy/planning categories of the Hawai'i State Plan, codified in Hawai'i Revised Statutes (HRS) Chapter 226, followed by a response which examines how the proposed action may be applicable to the respective Hawai'i State Plan objectives, policies and priority guidelines.

Furthermore, the proposed action does not involve any construction activities. As such, the proposed action will not have any direct or indirect impact upon many of the objectives and policies in the State Plan. However, planning and design for any potential future development within the Project District will take into account the surrounding environs to ensure a comprehensive review of any impacts.

HRS 226-5 Objective and policies for population

The Hawaii State Plan's objective for population is to guide population growth to be consistent with the achievement of physical, economic, and social objectives of HRS 226.

Response: Implementation of the permitted uses in the amended Project District will support the State economy and enhance the social stability and well-being for the people of Lāna'i.

HRS 226-6 Objectives and policies for the economy—in general

In summary, planning for the State's economy in general shall be directed to increased and diversified employment, income and job choice opportunities, and a growing and diversified economic base.

Response: Implementation of the permitted uses in the amended Project District will support the State economy and enhance the social stability and well-being for the people of Lāna'i.

HRS 226-8 Objective and policies for the economy—visitor industry

The visitor industry objective recognizes that the visitor industry constitutes a major component of Hawaii's steady economic growth.

Response: The proposed action indirectly supports the economic objectives and policies related to the visitor industry as implementation of the proposed action presents opportunities for future development of resort-related uses and amenities, thus increased employment opportunities for residents.

HRS 226-19 Objectives and policies for socio-cultural advancement—housing

The objectives for housing encompass greater opportunities for Hawaii's people to secure reasonably priced, safe, sanitary and livable homes; the orderly development of residential areas sensitive to community needs and other land uses; and the development and provision of affordable rental housing.

Response: The proposed action seeks to reduce the lands designated for residential uses within the Project District. As such, the proposed action will not have any direct or indirect impact upon the objectives and policies related to housing.

HRS 226-23 Objective and policies for socio-cultural advancement—leisure

The objective for leisure is the adequate provision of resources to accommodate diverse cultural, artistic, and recreational needs for present and future generations.

Response: The proposed action results in a net increase in lands designated Park and Open Space within the Project District. As such, the proposed action has an indirect impact upon the objectives and policies related to leisure activities and resource as this increase in Park and Open Space sub-designated lands present opportunities for additional recreational resources to be developed.

Priority Guidelines

"Priority guidelines" means those guidelines which shall take precedence when addressing areas of statewide concern. This section addresses applicability criteria to the priority guidelines set forth in HRS 226-103.

Priority guidelines of the Hawai'i State Plan covers the economy, population growth and land resources, crime and criminal justice, affordable housing, quality education, sustainability, and climate change adaptation. Applicability assessment for each of the foregoing issue areas are presented below:

Economic Priority Guidelines

Response: The proposed action is intended to reduce the scale of the land area and density and make amendments to the development standards permitted within the existing Kō'ele Project District. The proposed amendments offer opportunities for future resort-related development and associated job opportunities.

3. **State Functional Plans –**

A key element of the Statewide Planning System are the Functional Plans which set forth the policies, statewide guidelines, and priorities within a specific field of activity. There are 13 Functional Plans which have been developed by the State agency primarily responsible for a given functional area. Together with the County General Plans, the State Functional Plans establish more specific strategies for implementation.

Below is an assessment of the relationship between the proposed action and any applicable State Functional Plans.

Agriculture Functional Plan (1991)

Response: As previously discussed, approximately 72.44-acres of lands will be added to the Project District, including some lands currently designated as agriculture lands. However, as there are approximately 18,000-acres of former plantation lands on Lāna'i which remain available for agricultural use, and over 200,000-acres available statewide, the proposed action is not deemed significant given the overall availability of agriculture lands. The proposed action will not contravene the goals and objectives of this functional plan.

Employment State Functional Plan (1990)

Response: The proposed action will not contravene the goals and objectives of this functional plan. However, the proposed action does present opportunities for future resort-related jobs in the Project District.

Recreation State Functional Plan (1991)

Response: The proposed action will not contravene the goals and objectives of this functional plan. It is noted that the proposed amendments seek to increase the amount of lands within the Park and Open Space sub-designations, thereby increasing opportunities for provision of recreational resources.

Tourism State Functional Plan (1991)

Response: The proposed action will not contravene the goals and objectives of this functional plan. However, the proposed action does present opportunities for future enhancement of resort-related uses within the Project District.

4. **Countywide Policy Plan –**

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 assessment presented below restates the goal for each policy/planning category followed by a response which examines whether the proposed action is directly applicable, indirectly applicable or not applicable to the respective Countywide Policy Plan objectives, policies and implementing actions.

(A) PROTECT THE NATURAL ENVIRONMENT

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

Response: Pūlama Lāna'i is proposing a reduction in scale of the land area and density, and amendments to the development standards permitted in the existing Kō'ele Project District. As previously discussed, the proposed action does not involve any construction activities. Nonetheless, planning and design for any future development within the Project District will take into account the surrounding environs to ensure that scenic vistas are not unduly impacted.

Furthermore, any potential future development activities within the Project District will be planned and designed such that they do not result in significant impacts to water quality. In addition, it is noted that the proposed amended Project District increases the amount of lands designated as Park and Open Space.

In addition, as the proposed action does present opportunities to support future development within the Project District, any future development will be evaluated to assess the potential for environmental and socio-economic impacts and will advance proposed mitigation measures.

(B) PRESERVE LOCAL CULTURES AND TRADITIONS

Goal: *Maui County will foster a spirit of pono and protect, perpetuate, and reinvigorate its residents' multi-cultural values and traditions to ensure that current and future generations will enjoy the benefits of their rich island heritage.*

Response: Although no construction activities are currently proposed, an archaeological and related cultural assessment was undertaken to assess the potential for impacts related to any future development action within the Project District. A program of data recovery and monitoring was recommended in order to avoid or reduce potential impacts to known significant areas.

(C) IMPROVE EDUCATION

Goal: *Residents will have access to lifelong formal and informal educational options enabling them to realize their ambitions.*

Response: The proposed action will not have any direct or indirect impact upon the objective and policies related to education.

(D) STRENGTHEN SOCIAL AND HEALTHCARE SERVICES

Goal: *Health and social services in Maui County will fully and comprehensively serve all segments of the population.*

Response: The proposed action will not have any direct or indirect impact upon the objective and policies related to social and healthcare services.

(E) EXPAND HOUSING OPPORTUNITIES FOR RESIDENTS

Goal: *Quality, island-appropriate housing will be available to all residents.*

Response: The proposed action will not have any direct or indirect impact upon the objective and policies related to housing.

(F) STRENGTHEN THE LOCAL ECONOMY

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

Response: Implementation of the amended Project District will support the economy and enhance the social stability and well-being for the people of Lāna'i by providing opportunities for future resort-related jobs.

The proposed action indirectly supports the economic objectives and policies related to the visitor industry as implementation of the proposed action presents opportunities for future development of resort-related uses and amenities.

(G) IMPROVE PARKS AND PUBLIC FACILITIES

Goal: *A full range of island-appropriate public facilities and recreational opportunities will be provided to improve the quality of life for residents and visitors.*

Response: The proposed action results in a net increase in lands designated Park and Open Space within the Project District. As such, the proposed action has an indirect impact upon the objective and policies related to parks and recreational opportunities as this increase in Park and Open Space sub-designated lands present opportunities for additional recreational resources to be developed.

(H) DIVERSIFY TRANSPORTATION OPTIONS

Goal: *Maui County will have an efficient, economical, and environmentally sensitive means of moving people and goods.*

Response: The proposed action will not have any direct or indirect impact upon the objectives and policies related to transportation.

(I) 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.*

Response: It is noted that any potential future development within the Project District is anticipated to be serviced by existing infrastructure systems.

Although no construction activities are currently being proposed, the Project District continues to be located in proximity to existing infrastructure systems such that any future development would likely not require the provision of new or extension of existing systems. In this regard, the proposed action is indirectly supportive of the goal and its related objective and policies. Future construction activities, shall be subject to a Project District Phase II Application process, which is subject to public review and approval by the LPC.

(J) 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.*

Response: The proposed action complements Lāna'i City's character and the existing uses within the Kō'ele Project District. Any future development would make use of existing infrastructure systems. As noted previously, the proposed action results in a net increase in lands designated Park and Open Space within the Project District.

As discussed previously, although no construction activities are currently proposed, the proposed action does present opportunities to support future development within the Project District. Any future development will be evaluated to assess the potential for environmental and socio-economic impacts and will discuss the action's conformance to State and County land use regulations and controls.

(K) STRIVE FOR GOOD GOVERNANCE

Goal: *Government services will be transparent, effective, efficient, and responsive to the needs of residents.*

Response: The proposed action will not have any direct or indirect impact upon the objective and policies related to good governance.

(L) MITIGATE CLIMATE CHANGE AND WORK TOWARD RESILIENCE

Goal: *Minimize the causes and negative effects of climate change.*

Response: As previously discussed, the proposed action does not involve any construction activities. Nonetheless, planning and design for any future development within the Project District will take into account measures aimed at mitigating climate change. It is noted that the proposed amended Project District increases the amount of lands designated as Park and Open Space. The Project District is also located inland, and is not in proximity to the shoreline. In addition, as the proposed action does present opportunities to support future development within the Project District, any future development will be evaluated to assess the potential for environmental impacts and will advance proposed mitigation measures.

5. Lāna'i Community Plan –

The Kō'ele Project District is located in the Lāna'i Community Plan region which is one of nine Community Plan regions established in the County of Maui. Planning for each region is guided by the respective Community Plans, which are designated to implement the Maui County General Plan. Each Community Plan contains recommendations and standards which guide the sequencing, patterns, and characteristics of future development in the region. The Lāna'i Community Plan was adopted by the County of Maui through Ordinance No. 2738 which took effect on July 26, 2016.

The existing Kō'ele Project District is designated as "Project District" by the Community Plan. The areas proposed to be added to the Project District are designated as portions of "Open Space", "Agricultural", "Rural" and/or "Project District". As such, a Community Plan Amendment (CPA) will need to be obtained for those portions not in "Project District" to be re-designated as "Project District" on the Lāna'i Community Plan Map, as well as for those lands being removed from the Project District to be redesignated to districts other than "Project District".

Table 5 below is a list of parcels affected by the CPA request.

Table 5. Parcels Affected by Community Plan Amendment Request

TMK	Existing Community Plan Designation	Proposed Community Plan Designation
(2)4-9-001:021	Project District	Single-Family Residential
(2)4-9-001:024	Project District	Single-Family Residential
(2)4-9-001:025(por.)	Project District	Single-Family Residential
(2)4-9-001:027[1]	Single-Family Residential	Single-Family Residential
(2)4-9-001:030	Project District	Single-Family Residential
(2)4-9-002:001(por.)	Open Space	Project District
(2)4-9-002:061(por.)	Agricultural/Project District/Rural	Project District
(2)4-9-018:001[2]	Project District	Project District
(2)4-9-018:002(por.)	Project District/Park/Golf Course	Project District/Open Space
(2)4-9-018:003(por.)	Project District	Project District/Open Space
(2)4-9-018:004[3]	Project District	Project District
(2)4-9-018:005	Project District	Single-Family Residential
(2)4-9-020:020(por.)[4]	Project District	Project District/(Road)
(2)4-9-021:009	Project District	Open Space

Notes:
1. The Lāna'i Community Plan inadvertently designated TMK (2)4-9-001:027 as Single-Family Residential. According to Ordinance 2140 and Zoning Map 2608, this TMK is included in the existing Kō'ele Project District. This TMK is excluded in the proposed Kō'ele Project District
2. The total acreage of TMK (2)4-9-018:001 within the proposed Kō'ele Project District is being changed.
3. The total acreage of TMK (2)4-9-018:004 within the proposed Kō'ele Project District is being changed.
4. The total acreage of TMK (2)4-9-020:020 within the proposed Kō'ele Project District is being changed.

The proposed action is consistent with the following goals and policies of the Lāna'i Community Plan:

ECONOMIC DEVELOPMENT

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

Policy:

5. Support the growth of kama'aina tourism, cultural tourism, eco-tourism, agri-tourism, sports tourism, hunting tourism, and other alternative tourism ventures.

Response: As previously discussed, the proposed action entails the re-designation of lands within the existing Project District, the addition of new lands to the Project District, as well as the removal of lands from the Project District. Although the proposed action does not involve construction activities at this time, the proposed amended Project District boundaries and increase in acreage of the Hotel and Resort Commercial sub-designations do offer opportunities for future resort-related development and associated job opportunities. Any future development of this nature would further the objective and policy of this goal by supporting the tourism industry on Lāna'i on lands designated for such uses.

PUBLIC FACILITIES AND SERVICES – PARKS AND RECREATION

Goal: *A comprehensive system of parks, recreational facilities, and programs that meet resident and visitor needs.*

Policy:

3. Where appropriate, collaborate with Pūlama Lāna'i on the provision of parks, facilities, and programs.

Response: The proposed action would re-designate a significant amount of lands to the Park and Open Space sub-designations within the Project District. This action will further the goal and policy of the Lāna'i Community Plan related to enhancing and expanding recreational facilities for the residents and visitors of Lāna'i. For example, the former designated golf course lands are being repurposed for a sculpture garden.

6. **Lāna'i Project District 2 (Kō'ele) –**

As discussed previously, the proposed action seeks to amend the boundaries of the Lāna'i Project District 2 (Kō'ele) District in order to significantly reduce the already low density by decreasing the amount of Residential and Multi-family (Project District sub-designations) acres, significantly increasing the amount of Open Space and Park (Project District sub-designations) acres, and by reducing the Golf Course acreage (Project District sub-designation). In addition, additional acreage is proposed to be added to the existing Hotel sub-designation as well as the creation of a new sub-designation, Resort Commercial, which is proposed to be added for future resort-related commercial activities to support the Sensei Lāna'i, Four Seasons Resort. The proposed change will ultimately reduce the total acreage in the Kō'ele Project District by eight percent.

In addition to amending the boundaries of the Kō'ele Project District, the Applicant also seeks to make revisions to the guiding ordinance for the Kō'ele Project District. MCC, Chapter 19.71 outlines the boundaries of the Project District, the sub-designations and acreages of each which were established upon adoption of the ordinance, and standards for development within the Project District in general as well as specific standards for development applicable to each sub-designation specifically. The proposed changes to Chapter 19.71 include changes to the Project District sub-designations, whereby portions of land within the existing Project District designation would be removed and other areas would be added to the Project District. Additionally, the Applicant is proposing to revise

language within MCC, Chapter 19.71 relative to permitted uses, accessory uses, special uses, as well as the development standards for various sub-designations within the Project District.

It is further noted that the purpose and intent of the Project District remain unchanged; its existing and continued purpose and intent are to provide for a flexible and creative approach to development at Kō'ele that is complementary and supportive of services offered in the adjoining Lāna'i City. Nonetheless, the proposed amendments to the Kō'ele Project District must be done through a Project District Phase 1 (PH1) amendment.

Table 6 below is a list of parcels affected by the PH1 Amendment request.

Table 6. Parcels Affected by Project District Phase 1 Amendment Request

TMK	Existing Project District Sub-Designation	Proposed Project District Sub-Designation
(2)4-9-001:021	Residential	Remove From Project District
(2)4-9-001:024	Residential	Remove From Project District
(2)4-9-001:025(por.)	Residential	Remove From Project District
(2)4-9-001:027[1]	Residential	Remove From Project District
(2)4-9-001:030	Residential	Remove From Project District
(2)4-9-002:001(por.)	Not in Project District	Hotel
(2)4-9-002:061(por.)	Not in Project District/Stables and Tennis Courts	Resort Commercial
(2)4-9-018:001	Hotel/Golf	Hotel
(2)4-9-018:002(por.)	Golf/Residential/Multi-Family/Open Space/Park	Park/Open Space/Residential
(2)4-9-018:003(por.)	Golf/Residential/Public	Park/Golf/Hotel/Residential
(2)4-9-018:004	Residential/Park	Open Space
(2)4-9-018:005	Residential	Remove From Project District
(2)4-9-020:020	Multi-Family/Residential/Golf	Multi-Family
(2)4-9-021:009	Residential/Multi-Family	Remove From Project District

Notes:
1. The Lāna'i Community Plan inadvertently designated TMK (2)4-9-001:027 as Single-Family Residential. According to Ordinance 2140 and Zoning Map 2608, this TMK is included in the existing Kō'ele Project District. This TMK is excluded in the proposed Kō'ele Project District.

7. **Maui County Zoning –**

Consistent with the Project District designation, the lands within the existing Project District are zoned "Lāna'i Project District 2 (Kō'ele)" by the Maui County Zoning Ordinance. Those lands proposed to be added to the Project District are currently zoned "Interim" and "Agriculture" and must be rezoned. As such, a Change of Zoning (CIZ) will need to be obtained for those portions not zoned "Lāna'i Project District 2 (Kō'ele)" to be re-designated as such, as well as for those lands being removed from the Project District to be re-designated to districts other than "Lāna'i Project District 2 (Kō'ele)".

Table 7 below is a list of parcels affected by the CIZ Amendment request.

Table 7. Parcels Affected by Change of Zoning Request

TMK	Existing Zoning Designation	Proposed Zoning Designation
(2)4-9-001:021	PD-L/2(Kō'ele)	R-3, Residential
(2)4-9-001:024	PD-L/2(Kō'ele)	R-3, Residential
(2)4-9-001:025(por.)	PD-L/2(Kō'ele)	R-3, Residential
(2)4-9-001:027[1]	R-3, Residential	R-3, Residential
(2)4-9-001:030	PD-L/2(Kō'ele)	R-3, Residential
(2)4-9-002:001(por.)	Interim	PD-L/2(Kō'ele)
(2)4-9-002:061(por.)	AG, Agriculture/PD-L/2(Kō'ele)	PD-L/2(Kō'ele)
(2)4-9-018:001	PD-L/2(Kō'ele)/Interim	PD-L/2(Kō'ele)
(2)4-9-018:002(por.)	PD-L/2(Kō'ele)/AG, Agriculture	PD-L/2(Kō'ele)/Open Space
(2)4-9-018:003(por.)	PD-L/2(Kō'ele)/Interim	PD-L/2(Kō'ele)/Open Space
(2)4-9-018:004[2]	PD-L/2(Kō'ele)	PD-L/2(Kō'ele)
(2)4-9-018:005	PD-L/2(Kō'ele)	R-3, Residential
(2)4-9-020:020(por.)[3]	PD-L/2(Kō'ele)/(Road)	PD-L/2(Kō'ele)/(Road)
(2)4-9-021:009	PD-L/2(Kō'ele)	Open Space

Table 11 Notes:
1. The Lāna'i Community Plan inadvertently designated TMK (2)4-9-001:027 as Single Family Residential. According to Ordinance 2140 and Zoning Map 2608, this TMK is included in the existing Kō'ele Project District. This TMK is excluded in the proposed Kō'ele Project District.
2. The total acreage for TMK (2)4-9-018:004 within the proposed Kō'ele Project District is being changed.
3. The total acreage for TMK (2)4-9-020:020 within the proposed Kō'ele Project District is being changed.

In accordance with Section 19.510.040, MCC, the County Council may grant a CIZ if the following criteria are met:

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

Response: The proposed request meets the intent of the Maui County General Plan and supports the existing Kō'ele Project District designation within the Lāna'i Community Plan.

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

Response: As discussed above, those lands proposed to be added to the Project District will be the subject of a CPA application filed with the Department of Planning. Lands being removed from the Project District will also be subject to a CPA. The subject CIZ request will ensure conformity to the Lāna'i Community Plan designation for the affected lands.

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

Response: The proposed request to rezone lands into the Kō'ele Project District will support and enhance this district and the already zoned lands on Lāna'i. Lands being removed will be re-designated to zoning districts consistent with existing and surrounding uses.

d. 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;

Response: As no physical construction activities are currently being proposed, the proposed action will not adversely impact public infrastructure and services. It is noted that following implementation of the proposed action, the resulting amended Kō'ele Project District will be smaller in size, and less dense. Should future construction activities be undertaken at a later time, the impact on public facilities and services will be less in scale than those anticipated with full build-out of the current Project District. Nonetheless, any future developments will be assessed for impacts to public facilities and services in accordance with the Project District permitting regulations.

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

Response: Similar to the above response, the proposed action is not anticipated to adversely impact the socio-economic and environmental character of the area as no physical construction is currently being proposed. Nonetheless, any future developments will be assessed for impacts to the socio-economic and environmental character of the area in accordance with the Project District permitting regulations.

f. 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.

Response: The proposed CIZ request does not involve the establishment of an agricultural district.

AGRICULTURE

An Impacts on Agriculture report was prepared regarding the proposed Kō'ele Project District Amendment and assesses the effect the proposed action will have, if any, on the agriculture land base and industry on the Island of Lāna'i, and addresses compliance with State of Hawai'i guidelines associated with redistricting land within the State Land Use Commission Agricultural district into another district. See Appendix "B" of the Final EA.

Once commonly referred to as the "Pineapple Island", the Dole Lāna'i Plantation had sustained a cultivated area of some 13,000 acres, reportedly periodically reaching as high as 15,000 to 20,000 acres from its inception in the early 1920s until active operations shut down in 1992. Portions of the current Kō'ele Project District were once part of these fields.

Three classification systems are commonly used to rate Hawai'i soils with regards to agriculture: (1) Land Capability Grouping, (2) Agricultural Lands of Importance to the State of Hawai'i (ALISH), and (3) Overall Productivity Rating. The 1972 Land Capability Grouping by the U.S. Department of Agriculture, Natural Resources Conservation Service rates soils according to eight (8) levels, ranging from the highest classification level "I" to the lowest "VIII". The Project District area generally falls within the Class II and Class III levels. Class II soils have moderate limitations that reduce the choice of plants or that require moderate conservation practices. Class III soils have severe limitations that reduce the choice of plants, require special conservation practices, or both. These ratings ignore the lack of irrigation water for the Project District area. The State Department of Agriculture has established three categories of ALISH, based primarily, though not exclusively, on soil characteristics of the underlying land. The three classes of ALISH lands are "Prime", "Unique", and "Other Important" agriculture land, with the remaining non-classified lands termed "Unclassified". When used with modern farming methods, "Prime" agricultural land have soil quality, growing season, and moisture supply needed to produce sustained crop yields economically; while "Unique" agricultural lands contain a combination of soil quality, growing season, and moisture supply to produce sustained yields of specific crop. "Other Important" agricultural lands include those important lands that have not been rated as "Prime" or "Unique". The Kō'ele Project District, as reflected by the ALISH map, is located on lands designated as "Unclassified", "Other", and "Unique" agricultural lands. Additionally, the University of Hawai'i (UH) Land Study Bureau (LSB) developed the Overall Productivity rating, which classified soils according to five (5) levels, with "A" representing the class of highest productivity soils and "E" representing the lowest. The lands underlying the Project District are largely unclassified, with small areas throughout designated as "C", "D", or "E", representing lands that have lower potential for agricultural uses, or are otherwise unclassified.

As stated previously, the lands in the area were once used for farming operations, however, they have not been cultivated for some time. Furthermore, with the establishment of the Kō'ele Project District by Maui County Council Ordinance No. 1581 in 1986, the Kō'ele area was permitted for resort, golf course, and residential uses. This action ruled out potential agricultural uses in the Kō'ele Project District, as residential, recreational, and hotel uses are the focal point of the Kō'ele Project District land uses as specified by MCC Section 19.71.010 pertaining to the Kō'ele Project District's purpose and intent.

Much of the Project District is already existing or targeted for future urbanlike uses. An additional 72.44 acres will be redistricted to be added to the Project District within the Hotel, Golf, or Resort Commercial subdesignations, but nearly all of these lands will continue to be used for the existing Lāna'i Ranch along with occasional commercial events. The Lāna'i Ranch is an equestrian operation located on Kanepu'u Highway north of Lāna'i City. The Lāna'i Ranch uses approximately 215 acres of land, with facilities including a 3,800-square foot (sq. ft.) barn, six run-in shelters (288-sq. ft. each), and three 40-foot storage containers. The Lāna'i Ranch keeps 48 horses and offers various ranch experiences to guests, including group horseback rides, private horseback rides, riding lessons, pony rides, miniature horse cart rides, and carriage rides. In addition to the equestrian experiences, the Lāna'i Ranch has a petting zoo with various goats, donkeys, and miniature horses. Beyond the Lāna'i Ranch, there are no other existing or planned agricultural operations within the Project District.

The Project District has some favorable agronomic conditions: soils are good; solar radiation is moderate; and the trucking distances to Lāna'i City and Mānele Resort are short. However, the Project District is unsuitable for field farming to supply crops to Lāna'i markets, or for export to O'ahu or the mainland. The major problems are the lack of irrigation water, the Lāna'i market is

very small, and some Lāna'i farmers are at a competitive disadvantage in supplying the O'ahu and mainland markets because of shipping costs.

There are approximately 18,000 acres of former plantation lands on Lāna'i which remain available for agricultural use, and over 200,000 acres statewide. The proposed land use changes for former agriculture land added to the Project District is too small to significantly affect the growth of diversified agriculture on Lāna'i or statewide. As such, the project is not anticipated to have a significant impact on agricultural activity since ample land is alternatively available elsewhere on Lāna'i and statewide to accommodate agricultural growth.

ARCHAEOLOGICAL, HISTORIC AND CULTURAL RESOURCES

An archaeological literature review and field inspection was conducted for the proposed Kō'ele Project District amendment which focuses on two adjacent parcels of land to be rezoned and added to the existing Project District, including a 57.2-acre property (referred to as Parcel 1) and a 9.5-acre property (referred to as Parcel 2). Also included in the report is a literature review that provides a cultural resources inventory for the entire proposed Kō'ele Project District. The purpose of this literature review, field inspection, and cultural resources inventory was to determine the land use history of the area and to identify any potential artifacts, surface architecture, or cultural deposits present on the ground surface of Parcels 1 and 2, and to provide an inventory of cultural resources present in the proposed Kō'ele Project District. See Appendix "E" of the Final EA.

The field inspection of Parcel 1 yielded two potential historic properties and four secondarily deposited traditional Hawaiian artifacts that were collected from three separate locations. The first potential historic property was a truncated firepit remnant containing native charcoalized plants ('ilima and naio). The site was documented and designated as State Inventory of Historic Places (SIHP) #50-40-98-1988 (Feature 1). In accordance with HAR 13-284-6, the firepit was assessed as having integrity of location and significance under Criterion D (have yielded data important to Hawaiian history). Two sections of a plantation-era pineapple road with an associated ditch (Feature 2) were also documented (second potential historic property). The road and ditch remnant are typical features of the pineapple fields of the island, yet this section is heavily eroded, in-filled in sections, and has modern modifications. Therefore, the road and ditch were assessed as not having integrity or significance and were not assigned a site number. Artifacts collected during the survey were found within formerly plowed pasture and are therefore considered secondarily deposited. However, it is very likely the artifacts are associated with traditional activities and use of the area, as exampled by the presence of the remnant fire pit (SIHP # - 1988).

During the surface survey of Parcel 2, three potential historic properties were documented, including a historic semi-circular rock wall planter (Feature 3), a historic to modern scatter of rounded basalt cobble imu stones (Feature 4), and a low plantation-era mortar and cobble foundation designated as SIHP #50-40-98-1989 (Feature 5). Features 3 and 4 were assessed as not retaining integrity or significance. SIHP # -1989 (Feature 5) appears to be largely buried by soil, therefore, it is unknown whether the foundation is intact within its original location or if it may yield valuable data.

The surface survey within Parcel 2 also documented the presence of two previously identified historic ranch-era buildings, Structures C and D, of the Kō'ele Historic District. The two houses were originally documented during the 1974 Statewide Inventory of Historic Places as

components of the Kō'ele Historic District, SIHP # -1004, which consisted of four ranch-era buildings preserved on the property.

Due to the presence of a traditional Hawaiian intact firepit remnant, traditional Hawaiian artifacts, and the presence of historic ranching and plantation-era infrastructure, it is likely that future construction activities may disturb additional traditional and/or historic sub-surface deposits and artifacts. Potential deposits that could be encountered include, but are not limited to, additional firepit remnants, traditional human burials, animal burials, historic trash pits, and/or buried ranching and plantation-era infrastructure.

Although the currently proposed action does not involve construction activities, the following mitigation measures are recommended for potential future construction activities on Parcels 1 and 2:

- An archaeological monitoring program shall be adhered to in order to document any additional surface and/or sub-surface deposits and artifacts that may exist within Parcels 1 and 2;
- Within Parcel 2, Structures C and D of the Kō'ele Historic District (SIHP # -1004) should be assessed by a qualified architectural historian; and
- Within Parcel 2, SIHP # -1989 (Feature 5) (historic concrete and stone slab) should be further documented and assessed for integrity and significance during archaeological monitoring.

Pūlama Lāna'i will comply with all applicable Federal, State and County laws and rules regarding the treatment of archaeological, cultural and historic sites.

As a result of the existing extensive ground work undertaken for development of the Project District and existing developments, no traditional cultural features are known to remain on the landscape. Some historic features, including trash pits and/or outhouse pits, occur below surface.

As previously stated, although the currently proposed action does not involve construction activities, it is nonetheless recommended that monitors trained in identifying subsurface features be onsite if ground work is undertaken for any future development activities.

It is noted that the firepit feature (Feature 1), historic road remnant and drainage ditch (Feature 2), historic planter (Feature 3), and the historic to modern stockpile of imu stones (Feature 4) have been analyzed and reported, no further work is recommended for these features.

The proposed amendments to the Kō'ele Project District will not affect the newly or previously recorded sites located within the project area and the analysis supports a project effect determination of "no historic properties affected". A literature review of the entire proposed Kō'ele Project Distict was conducted, and as no approvals for built structures or activities that would include ground disturbance in the Kō'ele Project District are being sought at this time, additional archaeological work in the Project District was not recommended at this time.

It is noted that the literature review and field inspection report has been submitted to the State Historic Preservation Division for review and comment.

In addition to the above, a cultural-historical study was prepared which focuses on native traditions and historical accounts that describe the ahupua'a (native land division) of Kamoku,

focusing on the 'ili (land area within an ahupua'a) of Kō'ele, where the Project District is located. See Appendix "F" of the Final EA.

The study provides the Hawaiian cultural context of Lāna'i's history—the landscape, traditions of settlement and residency, patterns of land use, valued fisheries, and traditional-customary practices—as documented in archival records and by island elders and other kama'āina. The narratives also incorporate traditions of neighboring ahupua'a to provide readers with the larger view of native life and history in this region of Lāna'i. The study includes documentation on valued beliefs and practices, and serves as a foundation for development of respectful management practices at Kō'ele, and offer rich details for sharing the history of place with those who live at or visit the area.

The ahupua'a of Kamoku, comprising 8,291 acres of land, is one of 13 native land divisions on the island of Lāna'i, and is situated on the kona (leeward) side of the island. There is a rich history and ample physical evidence of native Hawaiian residency in the ahupua'a of Kamoku, but by the late 1840s, when King Kamehameha III granted fee-simple property right to his people, only four natives recorded claims for personal property rights in the ahupua'a.

In 2001, formal recorded interviews with elder kama'āina of Lāna'i were initiated, and visits to wahi pana (storied places) continued. Rich oral historical memories have been recorded with elder kama'āina, born as early as the 1890s. Through the interviews, it is evident that facets of that knowledge and customary practices still exist in the community.

As with archaeology, it is unlikely that the proposed action will have an impact on cultural resources as no development actions are proposed at this time.

INFRASTRUCTURE AND PUBLIC FACILITIES AND SERVICES

1. **Water** –

Water System

A Preliminary Engineering Report (PER) was prepared for the proposed Kō'ele Project District Amendment which included a summary of water impacts. See Appendix "J" of the Final EA. The impacts to water demand due to the proposed Kō'ele Project District can be determined by comparing the calculated water demands for both the existing and proposed Kō'ele Project District at full build-out conditions. With regard to the proposed Kō'ele Project District water demands, in lieu of maximum density calculations, a proposed amended development program was provided by Pūlama Lāna'i which limits unit counts and developed areas.

The water system for Lāna'i is owned and operated by the Lanai Water Company and is divided into two aquifer systems with sustainable yield for the island. The Kō'ele Project District falls within the Leeward Aquifer.

Water transmission mains generally consist of 8-inch and 12-inch pipes. The primary supply of potable water for Lāna'i City is from the 750,000 gallon Kō'ele Tank and 2.0 million gallon (MG) Lāna'i City Tank. The Kō'ele Tank is supplied with water from Wells 3 and 8 and the Lāna'i City Tank is supplied by Well 6.

Overall, the proposed Kō'ele Project District will cause a reduction in water demand, compared to the existing Kō'ele Project District, as a result of a reduction in acres of entitled Residential and Multi-Family entitled land. See **Table 8.**

Table 8. Water Demand Summary

Land Use	Existing Project District Average Daily Demand (GPD)	Proposed Project District Average Daily Demand (GPD)[a]
Hotel	185,000	182,000
Multi-Family Residential	54,000	31,800
Single-Family Residential	153,000	34,200
Park	19,550	1,500
Open Space	0	0
Golf Course[b]	20,750	20,000
Public	1,700	N/A
Stables and Tennis Courts	2,500	N/A
Resort Commercial	N/A	22,760[c]
TOTAL	**436,500**	**292,260**

[a] Proposed demands are based on Pūlama Lāna'i's program which limits unit counts and developed area.
[b] Clubhouse and Cavendish only. The former Experience at Kō'ele's irrigation was provided by effluent.
[c] Includes Stables and Tennis Courts demand which is superseded by Resort Commercial land use.

Source: R.M. Towill, 2021.

Although the Park sub-designation acreage increases from 11.5 acres to 234.9 acres, the estimated water demand decreases to 1,500 gallons per day (GPD), as irrigation is anticipated to be primarily provided by effluent, not potable water, to the extent available. The effluent water proposed to irrigate the Park sub-designation was previously used for the Golf sub-designation where the Experience at Kō'ele Golf Course was formerly located. The 1,500 GPD estimated for the proposed Kō'ele Project District water demand for the Park sub-designation is driven by future comfort stations. Reclaimed water will also be used for irrigation of Hotel sub-designation lands, to the extent available.

It should be noted that although approximately 49 acres of Single-Family sub-designated lands is proposed to be removed from the Kō'ele Project District (in the area between Kaunaoa Drive and Queens Street), there are 25 existing single-family dwellings that will continue to have water demand. The total existing water demand for said residences is estimated to be 15,000 GPD.

Water Availability

There are two aquifers on Lāna'i, the Leeward Aquifer system and Windward Aquifer system, each with a sustainable yield of 3.0 million gallons per day (MGD). Together, the total sustainable yield for the island of Lāna'i is 6.0 MGD.

Lāna'i Water Company provides Periodic Water Reports (PWR) to the County of Maui, Department of Water Supply and State of Hawai'i, Commission on Water Resource Management (CWRM). The PWR can be accessed each month from the Lāna'i Water Company's website. The PWR contains data sets of gallons of

water pumped, water use on the island, water well levels, and water temperature and chlorides. The CWRM publishes on their website a 12 month moving average monthly pumpage chart relative to the island's 6.0 MGD sustainable yield. In the context of the island's sustainable yield of 6.0 MGD, the CWRM established a management guideline trigger of 4.3 MGD to initiate proceedings to designate Lāna'i as a groundwater management area. Lāna'i Water Company has a data set containing water readings from 1926 through today. The daily water demand on Lāna'i, last updated for August 2021, is 1.517 MGD. This daily water demand is significantly lower than the 4.3 MGD trigger set by the CWRM in 1990 and the 6.0 MGD sustainable yield for the island of Lāna'i.

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 approximately 1.52 MGD, the full build out for the proposed Kō'ele Project District is approximately 0.13 MGD, which is less the existing water demand (captured in the current water demand). Other proposed or approved projects represent approximately 0.32 MGD in demand. The total forecasted water demand for Lāna'i (summation of the values) is 1.96 MGD, which is less than the 4.3 MGD trigger set by CWRM and less than the sustainable yield of 6.0 MGD for Lāna'i. Based on the foregoing, significant adverse impacts to water resources are not anticipated as a result of the proposed project.

Lāna'i Water Use and Development Plan

The Lāna'i Water Use and Development Plan (WUDP) was prepared pursuant to the requirements of HRS, 174(C)-31, HAR, 13-7-170, and MCC, 2.88A. The WUDP is required to be consistent with State and County land use planning documents and inventories, existing water sources and uses, discusses existing and future land uses and related water needs, sets forth a program by which water needs will be met, allocates water to land uses, and discusses resource impacts of proposed plans. The WUDP was drafted through public involvement, consideration of multiple forecasts, consideration of a 20-year time frame for planning analysis, and includes specific suggestions for implementation.

According to the Lāna'i WUDP, Lāna'i has a sustainable yield of 6 MGD. Fresh water is found only in high level dike confined compartments in the Central Sector of the island. The Central Sector is divided into two aquifer systems, the Windward and the Leeward, each with a 3 MGD sustainable yield. The Kō'ele Project District is located within the Leeward aquifer system.

The Lāna'i WUDP contains a simple build-out analysis of the Kō'ele Project District according to per acre standards, discussed on page 4-68. The 2006 build-out analysis was used as the baseline versus the 2009 build-out analyses, as stated in the WUDP on page 4-31. The excerpt regarding this input was stated as such:

> *An additional proposal was received on July 28, 2009 from Castle & Cooke Resorts. Although some analysis of this proposal is presented in this chapter, the Committee voted not to embark on a full consideration of proposal at that late date in the process.*

Build-out estimates are examined in two ways, both by per acre standards and by per unit standards. In deriving built and pending consumption according to per acre standards, the usual standards analysis was modified. Since there were no clear developed versus non-developed acreages, nor reliable maps from which to derive them, the Lāna'i WUDP assumed that the percent of acreage developed within each land use designation of the Project District was equivalent to the percent of units developed.

As stated in the Lāna'i WUDP, according to the modified per acre analysis and standard per unit analysis, the Lāna'i WUDP, projects that at full build-out, the Kō'ele Project District would consume 0.52 MGD of fresh water only (not including effluent, reclaimed, etc. water). In the Lāna'i WUDP, various analyses were completed to account for a range of wastewater availability and use scenarios. According to the Lāna'i WUDP, the total anticipated water use at full build out for the Kō'ele Project District would range from 0.74 MGD to 1.77 MGD, which included both fresh and reclaimed water.

As discussed previously, the proposed amended Kō'ele Project District is anticipated to require 0.29 MGD of fresh water at full build-out, which is 44 percent less than the 0.52 MGD of fresh water estimated for the Lāna'i WUDP for the Kō'ele Project District at full build-out.

2. **Wastewater** –

Lāna'i's municipal wastewater collection system is situated in and around Lāna'i City. Wastewater generated by Kō'ele Project District is collected by 8-inch and 6-inch pipes and conveyed southwest towards the Lāna'i City Wastewater Treatment Plant. The PER also included a summary of wastewater impacts due to the proposed Kō'ele Project District Amendment. See Appendix "J" of the Final EA. The impacts to wastewater flow due to the proposed Kō'ele Project District can be determined by comparing the calculated wastewater flows for both the existing and proposed zoning districts at full buildout conditions. Proposed wastewater demands are based on Pūlama Lāna'i's program which limits unit counts and developed areas.

Overall, the proposed Kō'ele Project District will cause a reduction in proposed wastewater flows, compared to the existing Kō'ele Project District, as a result of a reduction in developable land. See **Table 9**.

It should be noted that, although approximately 49 acres of single-family sub-designated lands is proposed to be removed from the Kō'ele Project District (in the area between Kaunaoa Drive and Queens Street), there are 25 existing dwellings that will continue to have wastewater flows. This flow is estimated to be 8,750 GPD.

Table 9. **Wastewater Flow Summary**

Land Use	Existing Project District Average Daily Demand (gpd)	Proposed Project District Average Daily Demand (gpd)[a]
Hotel	87,500	85,400
Multi-Family Residence	22,950	15,415
Single-Family Residence	89,250	19,950
Park (Comfort Stations)	[b]0	1,500
Open Space	0	0
Golf Course	1,750	[c]500
Public	[b]0	N/A
Stables & Tennis Courts	125	N/A
Resort/Commercial	N/A	[d]11,100
TOTAL	**201,575**	**133,865**

[a] Proposed demands are based on Pūlama Lāna'i program, which limits unit counts and developed area.
[b] No wastewater demand.
[c] Cavendish only
[d] Includes Stables & Tennis Courts demand which is superseded by Resort/Commercial land use.

Source: R.M. Towill, 2021.

By letter dated March 7, 2022, the Maui County Department of Environmental Management, Wastewater Reclamation Division noted that the proposed amendments have no immediate effect on the Lāna'i Wastewater Treatment facility of the associated collection system. See **Exhibit 5**. As noted previously, no construction activities are currently proposed with these applications; consequently, determination by the Department of Environmental Management of existing wastewater capacity for future projects will be assessed at time of project/planning reviews and/or building permits. This review will occur as a result of the Phase II Project District Development application process.

3. **Drainage** –

The Kō'ele Project District area is located on the leeward side of the mountains in the central area of Lāna'i. It is situated mauka of Lāna'i City at the foothills of the mountain range and varies in elevation from approximately 1,600 to 2,000 feet amsl. The topography is moderate below the breakline of the foothills. The unimproved mauka areas of the Kō'ele Project District are covered mainly with forest and tall trees, heavy brush, and tall grass.

The Project District is located along the north rim of the Pālāwai Basin. This basin is a large plateau area in the central portion of Lāna'i, approximately 4.5 miles in diameter. Runoff from the watershed inundates the lowest parts of the basin for prolonged periods during the rainy season.

Overall, runoff from the Kō'ele Project District is generally split between three drainage tributaries. Runoff from the southern portion of the Kō'ele Project District is conveyed by the Kapano Gulch south to two abandoned reservoirs. The runoff continues south to the Pālāwai Basin through a system of abandoned irrigation ditches. Runoff from the central and northwest portion of the Kō'ele Project District is conveyed by the Kaiholena/Iwiole/Paliamano Gulch west towards the shoreline and the Pacific Ocean. Runoff from the northeast portion of the Kō'ele Project District is conveyed by the Nalo Gulch northeast towards the shoreline of the island and the Pacific Ocean.

The existing drainage improvements consists of swales, basins and drainlines in the golf course and along the roadways, with culverts ranging in size from 18 to 96 inches. The former Experience at Kō'ele Golf Course was designed to handle a majority of the drainage for the Kō'ele Project District. Smaller flows from offsite areas and for onsite development parcels are diverted via pipes and green drainageways to the golf course, where they are conveyed, along with larger surface flows, by swales and contained in lakes/basins.

Drain Areas 1 and 2 encompass the southern portion of the Kō'ele Project District, in which runoff is conveyed south to the Kapano Gulch and the Palawai Basin. Due to the decrease in allowable density by the proposed amendments, at full build-out, the proposed Kō'ele Project District results in a five percent decrease in the 100-year, 24-hour peak flow and a four percent decrease in runoff volume to the Pālāwai Basin.

Drain Areas 3 and 4 cover the central and northwest portion of the Kō'le Project District, in which runoff is conveyed west to the Kaiholena/Iwiole/Paliamano Gulch and the ocean. The proposed Kō'ele Project District results in a 0.3 percent decrease in the 100-year, 24-hour peak flow and a 0.1 percent increase in runoff volume to the ocean.

The proposed Kō'ele Project District amended land uses in Drain Area 4 results in a negligible increase in 100-year, 24-hour peak flow and runoff volume. However, this is not anticipated to have any adverse impacts to the unimproved pasture land downstream. It is expected that any potential future improvements in this district will include measures to mitigate increases in runoff as well as provide stormwater quality treatment in accordance with County Standards.

Drain Area 5 covers the northeast portion of the Kō'ele Project District, in which runoff is conveyed northeast to the Nalo Gulch and the ocean. The proposed Kō'ele Project District results in no change to storm runoff values.

By letter dated March 8, 2022, the Maui County Department of Public Works noted that for future developments within the project district, drainage improvements shall comply with Title MC-15 and 20. See **Exhibit 6**. Overall, the proposed Kō'ele Project District has a positive impact to the Lāna'i City and downstream environments due to the reduction in runoff as a result of an overall reduction in lands entitled for development. See Appendix "J" of the Final EA.

4. **Traffic** –

A Traffic Assessment (TA) was prepared for the proposed action to document the updates and impacts from the proposed Kō'ele Project District in comparison to the original Kō'ele Project District. See Appendix "I" of the Final EA. In addition, an Addendum to the TA was prepared to address comments received on the Draft EA. See Appendix "I-1" of the Final EA. The original Kō'ele Project District spans approximately 632.5 acres of land immediately northeast and adjacent to Lāna'i City. However, the proposed Kō'ele Project District will reduce the overall Project District by eight percent in acreage.

Within Lāna'i City, the roadways are generally oriented within a rectangular grid network and serve low volumes of traffic. The roadways are generally narrow and are shared by both vehicular and pedestrian traffic due to the rural nature of the area.

With regards to multi-modal activity, sidewalks are provided along portions of Fraser Avenue, Lāna'i Avenue, Kaumālapa'u Highway, Ilima Avenue, 5ith Street, 7th Street, 8th Street, and Keomuku Highway within Lāna'i City. In addition, Kaumālapa'u Highway from Mānele Road to Kaumālapa'u Harbor is currently designated as a shared roadway per the State Department of Transportation's (SDOT) Bike Plan Hawaii: Bikeway Map. There is currently no public transportation on Lāna'i.

The impacts of the Original Kō'ele Project District on the Lāna'i City roadway network were included in the Lāna'i City Traffic Circulation Plan Traffic Impact Analysis Report (TIAR), dated October 4, 1991, hereinafter referred to as the "Original TIAR." The Original TIAR, studied the following four intersections as they were identified as major intersections that are currently anticipated to serve the highest volumes through Lāna'i City. All four intersections are currently unsignalized with two-way stop controls.

- Kaumālapa'u Highway/Fraser Avenue
- Kaumālapa'u Highway/Lāna'i Avenue
- 8th Street/Lāna'i Avenue
- 8th Street/Fraser Avenue

The Original TIAR includes traffic generated by various developments proposed on the island. Trip generation for the Original Kō'ele Project District in the Original TIAR was limited to 275 single-family residential units and 100 multi-family units as well as the 250-room Kō'ele Lodge (assumed as a 148-room expansion at the time of the report). The Original TIAR did not include trip generation for the golf course land use as the course was open and operational at the time of data collection.

The Original TIAR evaluated intersection movements based on a Level of Service (LOS) analysis. LOS is a qualitative measure used to describe the conditions of traffic flow at intersections, with values ranging from free-flow conditions at LOS A to congested conditions at LOS F. LOS D or better is generally considered acceptable for major movements.

Accounting for all the proposed developments on Lāna'i, the Original TIAR anticipated all studied intersections would operate with little to no delay and all movements at LOS B or better during the morning and afternoon peak hours of traffic. Even with the proposed developments, the existing roadway network was anticipated to handle the increase in traffic from new developments due to the low existing traffic volumes.

Nonetheless, the following intersections were evaluated as part of the TA Addendum to determine the potential impacts to State roadways within the vicinity of the proposed amended Kō'ele Project District:

- Kaumālapa'u Highway/Mānele Road
- Kaumālapa'u Highway/Fraser Avenue
- Kaumālapa'u Highway/Lāna'i Avenue

Traffic count data at the above intersections was estimated based on data provided in the TIAR prepared for the Hōkūao 201-H Housing Project and the Lāna'i City Traffic Circulation Plan. Traffic volumes from the studies were adjusted to existing conditions based on 2019 segment data collected by the SDOT along Kaumālapa'u Highway, Mānele Road, Fraser Avenue and Lāna'i Avenue.

Based on the data, the morning peak hour of traffic occurs from 7:00 a.m. to 8:00 a.m. and the afternoon peak hour of traffic occurs from 2:00 p.m. to 3:00 p.m. Existing traffic volumes along the study roadways are low during both peak hours of traffic due to the rural nature of Lāna'i and limited resident population. At the study intersections, existing volumes were no more than 350 vehicles during either peak hour, and there was minimal conflict.

For the purposes of the Traffic Addendum, full development of the proposed Kō'ele Project District was assumed to occur over a 20-year horizon. Population growth and related traffic growth has generally been limited on Lāna'i as a result of limited housing and employment opportunities on the island. A growth rate was not applied to existing traffic as any growth on the island is expected to be tied to new housing inventory and employment.

In order to account for future growth on the island, as new opportunities are made available, traffic generated by planned developments by Pūlama Lāna'i, the State and the County were added to the study intersections. These developments included the Hōkūao 201H Housing Project, Department of Hawaiian Home Lands (DHHL) Lāna'i Residence Lots Phase II, County of Maui Affordable Housing, and Miki Basin Industrial Park. The planned developments are expected to generate 286 trips during the morning peak hour of traffic and 406 trips during the afternoon peak hour of traffic.

The Institute of Traffic Engineers Trip Generation Manual, 10th Edition was used to determine the number of vehicular trips generated by the proposed Kō'ele Project District land uses with the exception of the Resort Commercial area, as the Resort Commercial area is expected to be primarily used by resort guests and, therefore, is not expected to generate trips outside of those attributed to the proposed Kō'ele Project District.

Although no immediate construction is currently planned within the proposed Kō'ele Project District boundaries, based on the proposed land use density (overall project district reduction in acreage for uses that would generate traffic impacts), the proposed Kō'ele Project District may generate up to 50 trips during the morning peak hour of traffic, and 91 trips during the afternoon peak hour. The proposed Kō'ele Project District is anticipated to contribute five to ten percent of future volumes at the study intersections.

Under future conditions, up to 650 vehicles are projected to travel through the study intersections during either peak hour of traffic and are anticipated to continue to experience minimal conflicts.

Given the unique character of Lāna'i, adjustments can be applied to future development trip generation to obtain volumes more consistent with existing conditions on the island. Under the adjusted future conditions, up to 500 vehicles are projected to travel through the study intersections during either peak hour of traffic and are anticipated to continue to experience minimal conflicts.

In light of the foregoing, an updated TIAR is not anticipated to be required for the proposed Kō'ele Project District given that the study intersections will continue to operate similar to existing conditions upon full development of not just the Kō'ele Project District, but of the island of Lāna'i.

A letter dated March 29, 2022 from the State of Hawai'i, Department of Transportation, Highways Division Deputy Director Sniffen to Maui County Department of Planning Deputy Director Jordan Hart stated that the former condition #9 from Ordinance 2140 related to the development of a by-pass road is not necessary to carry forward due to the decreased development proposed from the existing approved Project District application. See **Exhibit 4**.

In the Department's analysis, the basis of the trigger for the condition, "an occupancy rate of 50% of the total number of single family and multifamily units specified in the Koele Project District is reached" is not defined by the units proposed on a specific date or plan version. Furthermore, the proposed by-pass is described as a County rather than a State facility. Considering the improvement is a County facility, the Department Public Works did not confirm that the by-pass road will not be necessary in their letter dated March 8, 2022. See **Exhibit 6**,

In light of the foregoing the Department of Planning will carry forward the condition for further deliberation and recommendation by the Lanai Planning Commission to the Maui County Council.

5. **Recreation** –

Public parks and recreational facilities are administered and maintained by the Maui County Department of Parks and Recreation (DPR). DPR 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 Kaumalapa'u Highway/Fraser Avenue Park.

There are also a number of privately-owned and maintained recreational facilities that are available for public use. Situated in Lāna'ı City, Dole Park is a privately-owned park used by the public. Additional privately-owned parks used by the public include Waialua Park and Hulopo'e Beach Park. Olopua Woods Park and Waialua Park are located in Lāna'i City, while Hulopo'e Beach Park is located near the Mānele Small Boat Harbor. Other beaches on Lāna'i include: Kaiolohia (Shipwreck Beach), Lopa Beach, Polihua Beach, and Sharks Bay.

The Lāna'i Recreation Center is a privately-owned and maintained recreational complex which is used by the public. The Center encompasses a heated swimming pool, basketball court, exercise track, fitness course, softball fields, recreational building, and playground.

Other privately operated recreational facilities on Lāna'i include one 18-hole championship golf course and a nine-hole golf course. The Challenge at Mānele adjoins The Four Seasons Resort Lāna'i at Mānele. The nine-hole Cavendish Golf Course is the other privately operated facility located within the Kō'ele Project District which provides recreational opportunities for Lāna'i residents at no cost.

The proposed action is not considered a population generator. The proposed action is not intended to adversely impact the existing recreational facilities on Lāna'i. On the contrary, the proposed amendments seek to increase the amount of Project District lands within the Open Space and Park sub-designation, thereby providing opportunities for enhancement of existing and provision of additional recreational resources on Lāna'i.

6. **Schools** –

The island of Lāna'i is served by the State of Hawai'i, Department of Education's (DOE's) public school system. Located in Lāna'i City, Lāna'i High and Elementary School (LHES) provides elementary and secondary educational facilities and services for children from kindergarten through the twelfth grade. It is the only school that serves educational needs on the island of Lāna'i.

As previously mentioned, the proposed action is not considered a population generator and will not place added demands on educational facilities or services on Lāna'i.

7. **Solid Waste** –

Single-family solid waste disposal on Lāna'i is provided by the Maui County Department of Environmental Management (DEM), while commercial disposal service is provided by a private disposal service. The DEM's Lāna'i Landfill is the primary disposal site for Lāna'i. Pūlama Lāna'i has established new recycled waste facilities and services, such as HI-5 recycling and centralized disposal of junk vehicles, white goods, and other recyclables which are shipped off island to permitted waste disposal sites on O'ahu. These programs and services serve to divert streams of material disposed at the landfill.

The proposed action is not anticipated to have a significant impact on solid waste disposal services, nor on the Lāna'i Landifill.

8. **Public Services** –

Police and security services for island residents are provided by the Maui Police Department. The Lāna'i Police Station is situated in Lāna'i City. Fire prevention, protection, and suppression services for the island of Lāna'i are provided by the Maui County Department of Fire and Public Safety. The Lāna'i Fire Station is also located in Lāna'i City.

The Lāna'i Community Hospital is the major medical facility on the island. The 14-bed facility provides acute and long-term medical care, as well as 24-hour emergency medical service. Also in Lāna'i City is the Lāna'i Health Center and Straub Clinic which provide outpatient medical care for the island's residents, as well as Rainbow Pharmacy, which provides for the island's pharmaceutical needs.

The proposed action will not extend the service limits for emergency services. Police and fire protection services are not anticipated to be adversely impacted by the proposed action. Pūlama Lāna'i proposes to coordinate with the County, local police, and fire services to mitigate any potential adverse impacts to these services.

The proposed action does not involve any construction activities and, as such, construction-related impacts to medical services are not anticipated. From a long-term perspective, the proposed action is not a population generator and is not anticipated to adversely impact medical services in the community.

SOCIO-ECONOMIC IMPACTS

1. **Population** –

The resident population of Lāna'i has grown steadily within the past few decades. This gain is evident during the period from 1990 to 1995 as the island's emerging visitor industry attracted new employees for its resort operations. In 1990, the resident population of Lāna'i was at 2,426, while in 2000, the population stood at 3,193, an increase of 31.6 percent.

The global financial crisis in 2008-2009 and resulting slowdown in the economy had a detrimental effect on population growth in the state and counties of Hawai'i. This is evidenced by a 1.8 percent decrease in Lāna'i's population between 2000 and 2010 to 3,135. In the long term, however, population growth is expected to increase. The resident population of Lāna'i is forecasted to increase to 4,020 in 2030.

The proposed action does not involve construction activities and, as such, is not anticipated to impact the island's population. In addition, it is also noted that the proposed amendments seek to decrease the overall amount of lands within the Project District's residential sub-designations.

2. **Housing** –

According to a Socio-Economic Impact Report prepared for the proposed action, the average household size on Lāna'i was 2.57 people per household between the years 2013 and 2017, a slight decrease from 2.71 people per household in 2010. Between 2013 and 2017, Lāna'i had an estimated 1,561 housing units, of which, approximately 20.2 percent were vacant. See Appendix "H" of the Final EA.

As discussed previously, the proposed action does not involve any construction activities. The proposed amendments seek to decrease the amount of lands within the Project District's residential sub-designations while also adding lands for Hotel

and Resort Commercial uses. Following the proposed amendments, there will be a limited amount of residential sub-designated lands left for future development in the Project District.

3. **Economy** –

With its shift to a visitor industry-based economy, the island of Lāna'i has emerged as one of the foremost luxury resort destination areas in the world. This accomplishment is evidenced by the success of the island's resorts. In addition to the resorts, local businesses and visitor-oriented service providers contribute to the success of the island's economy. These include outdoor recreational activities, such as fishing, diving, hiking, hunting, bicycling, kayaking, sport shooting, snorkeling, whale watching, and sightseeing.

Hawai'i's economy through 2019 was strong, with record-setting visitor arrivals and low unemployment. Although historical unemployment rate trends for Lāna'i supports this and shows improvement due in large part to the reopening of the Sensei Lāna'i, a Four Seasons Resort in November 2019, the COVID-19 pandemic will have far reaching impacts on the economy in Hawai'i and across the nation and world. Stay-at-home regulations and travel quarantines aimed to curb the spread of COVID-19 virus in Hawai'i have caused many businesses to shut down or drastically reduce operations. Unemployment claims have soared. While unemployment rates are decreasing, the economy is slowly recovering. As of September 2021, the unemployment rate on Lāna'i was at 4.7 percent, compared to 20.0 percent the year prior.

The proposed action does not involve any construction activities and, as such, there is no short-term impact on the economy.

It is noted that the lands proposed to be added to the Project District present future opportunities for potential construction-related spending and expanded resort and resort amenity-related employment opportunities. Specifically, under a full build-out scenario for the proposed amended Project District, approximately 450 direct jobs and 180 indirect jobs would be created, approximately 570 of which would be on Lāna'i. See Appendix "H" of the Final EA.

ENVIRONMENTAL IMPACTS

1. **Air and Noise Quality** –

There are no non-attainment areas for air quality in the State of Hawai'i, and air quality monitoring data is, thus, very limited. The ambient air quality of the area is typically clean and subject to the prevailing onshore winds. There are no major sources of air pollution in the immediate vicinity, such as agricultural burning, manufacturing plants and incinerators.

Noise within Lāna'i City's regional vicinity is primarily derived from: 1) the natural environment (wind, rain, etc); 2) traffic from neighboring roadways; 3) community sounds related to people, animals/pets, etc.; and 4) nearby aircraft in flight to/from the Lāna'i Airport.

Although the currently proposed action does not involve construction activities, it is noted that short-term impacts from fugitive dust are expected to occur during any potential future construction. To a lesser extent, exhaust emissions from stationary and mobile construction equipment, from the disruption of traffic, and from workers' vehicles, may also affect air quality during potential future construction activities. Post construction, motor vehicles coming to and from the Project District may result in a long-term increase in air pollution emissions in the project area. Given the reduction in scale of land area, densities and unit counts, there will be a reduction in traffic and other air quality impact issues once the amendments are made to the Kō'ele Project District. Potential future improvements associated with the Kō'ele Project District are not expected to cause a significant air quality impact, including anticipated greenhouse gas emissions, above those contemplated with the approval of the existing Project District. As such, no mitigation measures beyond compliance with applicable regulations, requirements, and standards, are required.

As previously discussed, the currently proposed action does not involve construction activities. However, it is noted that there is usually unavoidable noise impacts associated with operation of heavy construction machinery, paving equipment and material transport vehicles during construction activities which would be present during future construction activities that may take place. Proper mitigating measures to minimize construction-related noise impacts and comply with all Federal and State noise control regulations will be employed. Increased noise activity due to construction would be limited to daytime hours and persist only during construction. Noise from construction activities would be short term and will comply with Department of Health (DOH) noise regulations found in HAR, Chapter 11-46, Community Noise Control. When construction noise exceeds, or is expected to exceed the DOH's allowable limits, a permit must be obtained from the DOH. Any future development would undergo separate analysis to evaluate potential noise impact related to the future action.

2. **Flora and Fauna** –

A flora and fauna study of the Kō'ele Project District area was conducted. See Appendix "D" of the Final EA. A walk-through botanical survey was used to cover the new areas proposed to be added to the Project District. All representative habitats were examined including the grassy pastures, shrub lands and forest margins. A complete inventory of all plant species was made with special attention focused on native plant species and whether any of these were federally protected Threatened or Endangered species that might require special attention or actions.

The vegetation in the project area consists mostly of open pasture lands with some windbreak trees and small areas of shrub land. A total of 62 plant species were recorded during the survey. Five species were common throughout the project area: Christmas berry (Schinus terebinthifolius), lantana (Lantana camara), Cook pine (Araucaria columnaris), fireweed (Senecio madagascariensis) and sand mallow (Sidastrum micranthum). Several pasture grasses were evenly distributed, but none of these were individually common. Just one native plant species was seen, the indigenous hala tree (Pandanus tectorius).

A fauna survey was conducted in conjunction with the flora survey. Sign of just two non-native mammal species was observed in the project area. Several axis deer (Axis axis) were seen and abundant signs were found throughout the area in the form of tracks, droppings, and antler rubbings. Horses (Equus caballus) were also common in the pastures. A special effort was made to look for evidence indicating the presence of the endangered ʻōpeʻapeʻa or Hawaiian hoary bat by conducting an evening survey at two locations within the project area. No bats were detected.

Other non-native mammals likely to frequent this area include rats (Rattus spp.), mice (Mus domesticus), feral cats (Felis catus), and occasionally domestic dogs (Canis familiaris).

Birdlife was moderate in both species diversity and in total numbers seen. 12species were observed during two site visits. Most common were the common myna (Acridotheres tristis) and the zebra dove (Geopelia striata). Less common were the house finch (Carpodacus mexicanus), gray francolin (Francolinus pondicerianus), spotted dove (Streptopelia chinensis), northern cardinal (Cardinalis cardinalis), Japanese bush warbler (Cettia diphone) and the kōlea or Pacific golden-plover (Pluvialis fulva). Four other species were rare of occurrence. Two indigenous, native birds were recorded during the survey, the kōlea which was uncommon, and the ʻakekeke or ruddy turnstone (Arenaria interpres) which was rare. Both of these are migratory species that were molting in preparation for their imminent departure to their arctic breeding grounds. A few other species that might occur in this habitat include the wild turkey (Meleagris gallopavo), Erckel's francolin (Pternistis erckelii), and nutmeg mannikin (Lonchura punctulata).

Just one non-native lizard, the common garden skink (Lampropholis delicata) was observed in ground leaf litter. One non-native mollusk, the giant African snail (Achatina fulica), was rare.

Insect life was modest in diversity, but rather sparse in total numbers. 11 species were recorded in six 6 insect Orders. Just one species was common, the monarch butterfly (Danaus plexippus), which was seen throughout the project area. Three other species were uncommon, the honeybee (Apis mellifera), dung fly (Musca sorbens), and long-tailed blue butterfly (Lampides boeticus). Seven other species were of rare occurrence. One insect species was native, the indigenous globe skimmer dragonfly (Pantala flavescens), which is common throughout Hawaiʻi.

The vegetation throughout the project area is dominated by non-native pasture and weed species, none of which are of any conservation interest or concern. No Threatened or Endangered plant species were found during the survey, and no special native plant habitats were found either. As a result, the study determined that developmental projects in the area would not have a significant negative impact on the botanical resources in this part of Lānaʻi. No specific recommendations regarding plants were offered.

The fauna species identified within the project area are mostly non-native organisms that have been purposefully or accidentally introduced to Hawaiʻi since western contact. Two bird species and one insect species, however, were indigenous in Hawaiʻi. These two birds are migratory species that over-winter in

Hawai'i between September and May, but then fly to the arctic where they breed and raise their young through the summer months. Both species show up here in large numbers every year. Neither species is Threatened or Endangered so they do not carry these heightened protections and are not of conservation concern at present. The globe skimmer is widespread and common in Hawai'i in a variety of habitats. It is also known throughout the tropics and subtropics nearly worldwide. While indigenous in Hawai'i, it carries no federal protections and is of no special conservation concern.

In addition, mitigation measures to avoid or reduce harm to other species including the Hawaiian bat and seabirds the 'Ua'u and 'A'o were discussed in the survey.

3. **Topography and Soils** –

Topography is relatively moderate within the project site. The project site is located at the base of Lāna'ihale, where slopes range from 0 to 30 percent and elevation ranges from 1,600 to 2,000 feet above mean sea level (msl). The Project District is located in an area within the Moloka'i-Lahaina and Kahanui-Kalae-Kanepu'u associations. Soils within these associations are characterized as deep, gently sloping to moderately steep and are well drained soils. **Table 10** below lists the specific soil classifications found within the Project District.

Table 10. Soil Classifications

KcB, Kalae silty clay, 2 to 7 percent slopes
KcC, Kalae silty clay, 7 to 15 percent slopes
KrB, Kō'ele silty clay loam, 3 to 7 percent slopes
KrC, Kō'ele silty clay loam, 7 to 15 percent slopes
KRL, Kō'ele-Badland complex
LaB, Lahaina silty clay, 3 to 7 percent slopes
LaC, Lahaina silty clay, 7 to 15 percent slopes
WoB, Waihuna clay, 3 to 7 percent slopes

In addition, although the proposed action does not involve any construction activities, a geotechnical study was conducted to provide information about potential geotechnical risks involved and the geotechnical considerations that may need to be addressed for development actions within the Project District. See Appendix "C" of the Final EA. The scope of the geotechnical engineering assessment consisted of site reconnaissance, review of the available geological maps, and subsurface information from previous explorations conducted in the vicinity of the Project District.

Based on the geotechnical survey of the Project District area and the anticipated subsurface conditions, future development within the Project District would be feasible with respect to geotechnical engineering considerations. Several geotechnical considerations as discussed in the report may have the potential for impacts on design and construction. The currently proposed action is not anticipated to present adverse impacts on the topography or soils in the area.

4. **Flood, Tsunami, and Sea Level Rise –**

The Project District is located mauka (northeast) of Lāna'i City. As shown on the Flood Insurance Rate Map for the area, the Project District is in an undesignated flood zone area. Similarly, the site is located outside of the Tsunami Evacuation Zone, as well as the projected 3.2-foot sea level rise exposure area discussed in the Hawai'i Sea Level Rise Vulnerability and Adaptation Report that was prepared in 2017 by the Hawai'i Climate Change Mitigation and Adaptation Commission.

The currently proposed action does not present any risks of flooding or tsunami hazards.

5. **Hazardous Materials –**

A Phase I Environmental Site Assessment (ESA) was conducted for those lands proposed to be added to the Kō'ele Project District. See Appendix "G" of the Final EA. The purpose of the assessment is to identify Recognized Environmental Conditions (RECs) at the site, including Controlled Recognized Environmental Conditions (CRECs), Historical Recognized Environmental Condition (HRECs), and de minimis conditions as defined by the American Society for Testing and Materials E 1527-13 standard.

At the time of the preparation of the ESA, approximately 18 acres of the study area were operated by multiple contractors as a construction laydown site associated with the renovations to the former Lodge at Kō'ele and other development projects on Lāna'i. Approximately 57.2 acres of the study area are currently operated by Lāna'i Ranch with pasture area, stables, horses and other livestock. Adjacent to the Lāna'i Ranch is a shipping container staging area.

During the site reconnaissance, portions of the site were overgrown and access was not provided to the residential structures, all of the construction trailers, or all of the shipping containers used to store construction materials on the site. The ESA noted that these limiting conditions are not expected to impact the results of the Phase I ESA because the overgrown areas appear to be limited to vegetation. The residential structures are used for residential purposes and the construction trailers and shipping containers are expected to be similar to the ones that were accessed.

The ESA revealed no evidence of recognized environmental conditions (RECs) and/or controlled recognized environmental conditions (CRECs) in connection with the site, except for the following:

REC No. 1

During Site reconnaissance a large area of staining was observed on the ground around the painting booth. Site personnel indicated that the staining was a result of overspray from wood staining activities using PPG ProLuxe 1 Primary Coat RE Wood Finish Transparent Satin. This would constitute a REC, as this is a petroleum-based product that has been released to the environment.

De Minimis Conditions

This assessment has revealed the following de minimis conditions in connection with the Site:

Less than one square foot of staining was observed on the ground in the BMK tent in the construction laydown portion of the Site. No evidence of a leaking container or source was identified. Due to the very limited nature, this would be considered de minimus.

The following additional findings were identified during the course of the Phase I ESA that have not been determined to be RECs:

Finding No. 1

The previous use of portions of the Site as part of pineapple plantation activities indicates possible use of pesticides and other chemicals. Disturbance of soils could lead to potential exposures to potential pesticides and other chemicals and should be considered during the redevelopment process.

Finding No. 2

AST containing propane was observed near one of the residential structures on the Site. The AST is located on the exterior of the residence. No releases have been reported from the AST and no staining was noted at the time of inspection. As no releases to the environment are known or suspected, this is not considered to be a REC.

Pūlama Lāna'i will comply with all applicable Federal, State and County laws and rules regarding the treatment of RECs. In consideration of the above, the level of impact due to the findings of the ESA are anticipated to be less than significant.

OTHER GOVERNMENTAL APPROVALS

On September 8, 2021, the Draft EA in support of the PH1 Amendment, CPA, and CIZ applications was published in the Environmental Review Program's (formerly the Office of Environmental Quality Control) Environmental Notice bulletin. On September 15, 2021, the Applicant appeared before the LPC to received comments on the Draft EA. On January 19, 2022, the LPC reviewed the preliminary Final EA and issued a Finding of No Significant Impact determination. On February 8, 2022, the Final EA and FONSI determination was published in the Environmental Notice bulletin. The 30-day challenge period has concluded with no objections to acceptance of the Final EA. Therefore, the Final EA is accepted.

It is noted that in addition to the PH1 Amendment, CPA, and CIZ requests before the LPC, a separate DBA petition will be prepared and filed with the LUC.

TESTIMONY

As of May 10, 2022, the Planning Department has not received any testimony on the project.

ALTERNATIVES

- **Deferral**. The Commission may defer action to another meeting date in order to obtain additional information that will assist in their deliberation on the request.

- **Recommend Approval With No Conditions**. The Commission may recommend to approve the permit requests without imposing any conditions.

- **Recommend Approval With Conditions**. The Commission may receommend to approve the permit requests with conditions.

- **Recommend Denial**. The Commission may recommend to deny the permit requests

CONCLUSIONS OF LAW

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

Project District Phase I Amendment

Pursuant to Title 19 Zoning, Chapter 19.45 Project District Processing Regulations, Section 19.45.050 Processing Procedure and Section 19.510.020 Applications Which Require a Public Hearing; MCC, 1980, as amended.

Community Plan Amendment

Pursuant to Title 2 Administration and Personnel, Chapter 2.80B General Plan and Community Plans, Section 2.80B.110 Nondecennial Amendments to Community Plans Proposed by a Person and Title 19 Zoning, Chapter 19.510 Application and Procedures, Section 19.510.020 Applications Which Require a Public Hearing; MCC, 1980, as amended.

Change of Zoning

Pursuant to Title 19 Zoning, Chapter 19.510 Application and Procedures, Section 19.510.020 Applications Which Require a Public Hearing and Section 19.510.040 Change of Zoning; MCC, 1980, as amended

RECOMMENDATION

The Planning Department recommends approval of Project District Phase I Amendment, Community Plan Amendment, and Change of Zoning Amendment changes, additions, and deletions as reflected by individual Tax Map Key outlined for each of the subject applications

COMMUNITY PLAN AMENDMENT

The Planning Department recommends approval of the Community Plan Amendment along with updated maps reflecting changes, additions, and deletions by individual Tax Map Key outlined in **Table A** and shown in **Exhibit 7**.

Table A. Summary of maps included in **Exhibit 7** associated with proposed changes by Tax Map Key for the Lāna'i Community Plan Designation

TMK	Lāna'i Community Plan Designation		MAP NAME
	Existing	Proposed	
[2] 4-9-001: 021	Project District	Single-Family Residential	MAP_01_CPA
[2] 4-9-001: 024 (portion)	Project District	Single-Family Residential	MAP_02_CPA
[2] 4-9-001: 025 (portion)	Project District	Single-Family Residential	MAP_03_CPA
[2] 4-9-001: 025 (portion)	Project District	Single-Family Residential	MAP_04_CPA
[2] 4-9-001: 025 (portion)	Project District	Single-Family Residential	MAP_05_CPA
[2] 4-9-001: 025 (portion)	Project District	Single-Family Residential	MAP_06_CPA
[2] 4-9-001: 030 (portion)	Project District	Single-Family Residential	MAP_07_CPA
[2] 4-9-002: 001 (portion)	Open Space	Project District	MAP_08_CPA
[2] 4-9-002: 061 (portion)	Agrucultural	Project District	MAP_09_CPA
[2] 4-9-002: 061 (portion)	Rural	Proect District	MAP_10_CPA
[2] 4-9-018: 002 (portion)	Project District	Open Space	MAP_11_CPA
[2] 4-9-018: 002 (portion)	Project District	Road	MAP_12_CPA
[2] 4-9-018: 003 (portion)	Golf Course/Park	Project District	MAP_13_CPA
[2] 4-9-018: 003 (portion)	Project District	Open Space	MAP_14_CPA
[2] 4-9-018: 003 (portion)	Project District	Open Space	MAP_15_CPA
[2] 4-9-018: 005	Project District	Single-Family Residential	MAP_16_CPA
[2] 4-9-020: 020 (portion)	Project District	Road	MAP_17_CPA
[2] 4-9-021: 009	Project District	Open Space	MAP_18_CPA

*MAP_02_CPA and MAP_07_CPA are the same, both Tax Map Keys are displayed on each map.

CHANGE OF ZONING AMENDMENT

The Planning Department recommends approval of the Change of Zoning Amendment along with updated maps reflecting changes, additions, and deletions by individual Tax Map Key outlined in **Table B** and shown on **Exhibit 8**, and subject to the following conditions:

1. The Applicant shall preserve in perpetuity the tradition of permitting free play on the Cavendish golf course for Lāna'i residents and shall continue to maintain said golf course.

2. That full compliance with all applicable governmental requirements shall be rendered.

3. That the Applicant shall develop the property in substantial compliance with the representations made to the Lāna'i Planning Commission in obtaining the Change of Zoning Failure to so develop the property may result in the revocation of the permit.

4. That the generation of outputs and impacts as well as the consumption of resources and services shall not exceed those disclosed and analyzed by this Change of Zoning Amendment Application and associated submittals.

5. That the Applicant shall develop the property in compliance with Project District processing requirements outlined in MCC Chapter 19.45 Project District Processing Regulations and that review of proposed construction in the Phase II process shall be accompanied by agency review not limited to water, wastewater, solid waste, archaeological and cultural resources, and traffic.

6. That all exterior illumination shall consist of fully shielded downward lighting throughout the project, as applicable by law.

7. That in the unlikely event that subsurface historic resources, including human skeletal remains, structural remains, cultural deposits, artifacts, native sand deposits, or sink holes are identified during the demolition and/or construction work, cease work in the immediate vicinity of the find, protect the find from additional disturbance, and contact the State Historic Preservation Division, at (808) 652-1510.

8. That the Applicant shall provide the Lāna'i Planning Commission with quarterly water usage reports for the project site including quantities of potable, brackish, and/or R-1 water used and the source of said water.

9. That the Applicant shall a) build a by-pass road, similar in concept to the road as shown in the Lāna'i Community Plan, Exhibit E, adopted April 5, 1983, in conformance with the standards of the County, as approved by the Director of Public Works, and b) dedicate, in fee simple absolute, free and clear of all mortgage and lien encumbrances, the constructed by-pass road to the County, at no cost to the County, within 2 years of the date that an occupancy rate of 50% of the total number of single family and multifamily units specified in the Kō'ele Project District is reached; provided, however, that this condition may be eliminated by the County Council if a traffic engineer provides a report showing that the roadway system then existing (within two years of reaching 50% occupancy) in and around Lanai City is not determined to be operationally substandard under the level of rating criteria of the American Association of State Highway and Transportation Officials.

10. That the Applicant shall use R-1 water to the extent available and practicable.

Table B. Summary of maps included in **Exhibit 8** associated with proposed changes by Tax Map Key for the Maui County Zoning

TMK	Maui County Zoning		MAP NAME
	Existing	Proposed	
[2] 4-9-001: 021	PD-L/2 (Kō'ele)	R-3, Residential	MAP_01_CIZ
[2] 4-9-001: 024 (portion)	PD-L/2 (Kō'ele)	R-3, Residential	MAP_02_CIZ
[2] 4-9-001: 025 (portion)	PD-L/2 (Kō'ele)	R-3, Residential	MAP_03_CIZ
[2] 4-9-001: 025 (portion)	PD-L/2 (Kō'ele)	R-3, Residential	MAP_04_CIZ
[2] 4-9-001: 025 (portion)	PD-L/2 (Kō'ele)	R-3, Residential	MAP_05_CIZ
[2] 4-9-001: 025 (portion)	PD-L/2 (Kō'ele)	R-3, Residential	MAP_06_CIZ
[2] 4-9-001: 030 (portion)	PD-L/2 (Kō'ele)	R-3, Residential	MAP_07_CIZ
[2] 4-9-002: 001 (portion)	Interim	PD-L/2 (Kō'ele)	MAP_08_CIZ
[2] 4-9-002: 061 (portion)	AG, Agriculture/ PD-L/2 (Kō'ele)	PD-L/2 (Kō'ele)	MAP_09_CIZ
[2] 4-9-018: 001	PD-L/2 (Kō'ele) / Interim	PD-L/2 (Kō'ele)	MAP_10_CIZ
[2] 4-9-018: 002 (portion)	Agriculture	Open Space	MAP_11_CIZ
[2] 4-9-018: 002 (portion)	PD-L/2 (Kō'ele)	Open Space	MAP_12_CIZ
[2] 4-9-018: 002 (portion)	PD-L/2 (Kō'ele)	Road	MAP_13_CIZ
[2] 4-9-018: 002 (portion)	Road	PD-L/2 (Kō'ele)	MAP_14_CIZ
[2] 4-9-018: 003 (portion)	Interim	PD-L/2 (Kō'ele)	MAP_15_CIZ
[2] 4-9-018: 003 (portion)	PD-L/2 (Kō'ele)	Open Space	MAP_16_CIZ
[2] 4-9-018: 003 (portion)	PD-L/2 (Kō'ele)	Open Space	MAP_17_CIZ
[2] 4-9-018: 003 (portion)	Road	PD-L/2 (Kō'ele)	MAP_18_CIZ
[2] 4-9-018: 004	PD-L/2 (Kō'ele)	PD-L/2 (Kō'ele)	MAP_19_CIZ
[2] 4-9-018: 005	PD-L/2 (Kō'ele)	R-3, Residential	MAP_20_CIZ
[2] 4-9-020: 020 (portion)	PD-L/2 (Kō'ele)	Road	MAP_21_CIZ
[2] 4-9-020: 020 (portion)	PD-L/2 (Kō'ele)	Road	MAP_22_CIZ
[2] 4-9-021: 009	PD-L/2 (Kō'ele)	Open Space	MAP_23_CIZ

*MAP_02_CIZ and MAP_07_CIZ are the same, both Tax Map Keys are displayed on each map.

PROJECT DISTRICT PHASE I AMENDMENT

The Planning Department recommends approval of the Project District Phase I Amendment along with updated maps reflecting changes, additions, and deletions by individual Tax Map Key outlined in **Table C**, and shown in the Proposed Project District Map in **Exhibit 2**, and subject to changes in the proposed revisions to MCC, Chapter 19.71, provided herein as **Exhibit 3.**

Table C. Summary of proposed changes by Tax Map Key for the Kō'ele Project District

TMK	Existing Project District Sub-Designation	Proposed Project District Sub-Designation
(2)4-9-001:021	Residential	Remove From Project District
(2)4-9-001:024	Residential	Remove From Project District
(2)4-9-001:025(por.)	Residential	Remove From Project District
(2)4-9-001:027[1]	Residential	Remove From Project District
(2)4-9-001:030	Residential	Remove From Project District
(2)4-9-002:001(por.)	Not in Project District	Hotel
(2)4-9-002:061(por.)	Not in Project District/Stables and Tennis Courts	Resort Commercial
(2)4-9-018:001	Hotel/Golf	Hotel
(2)4-9-018:002(por.)	Golf/Residential/Multi-Family/Open Space/Park	Park/Open Space/Residential
(2)4-9-018:003(por.)	Golf/Residential/Public	Park/Golf/Hotel/Residential
(2)4-9-018:004	Residential/Park	Open Space
(2)4-9-018:005	Residential	Remove From Project District
(2)4-9-020:020	Multi-Family/Residential/Golf	Multi-Family
(2)4-9-021:009	Residential/Multi-Family	Remove From Project District

Notes:
1. The Lāna'i Community Plan inadvertently designated TMK (2)4-9-001:027 as Single-Family Residential. According to Ordinance 2140 and Zoning Map 2608, this TMK is included in the existing Kō'ele Project District. This TMK is excluded in the proposed Kō'ele Project District.

In consideration of the foregoing, the Planning Department recommends that the Lāna'i Planning Commission adopt the Planning Department's Report and Recommendation prepared for the May 18, 2022, meeting as its Findings of Fact, Conclusions of Law, Decision and Order and authorize the Director of Planning to transmit said Decision and Order to the Maui County Council on behalf of the Lāna'i Planning Commission.

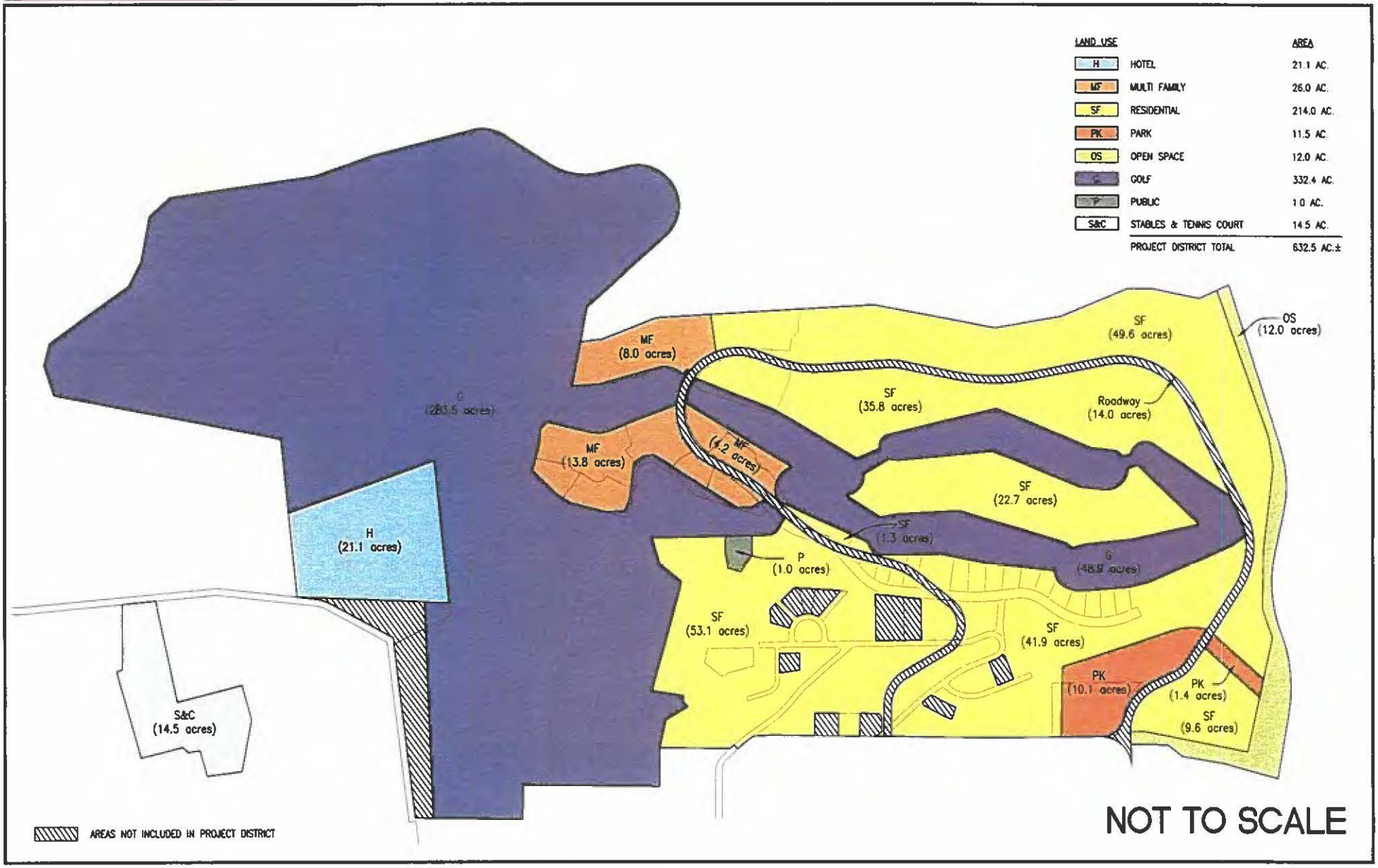
APPROVED:

for MICHELE MCLEAN, AICP
PLANNING DIRECTOR

EXHIBIT 1.

Existing Kō'ele Project District Map

Existing Kō'ele Project District Map



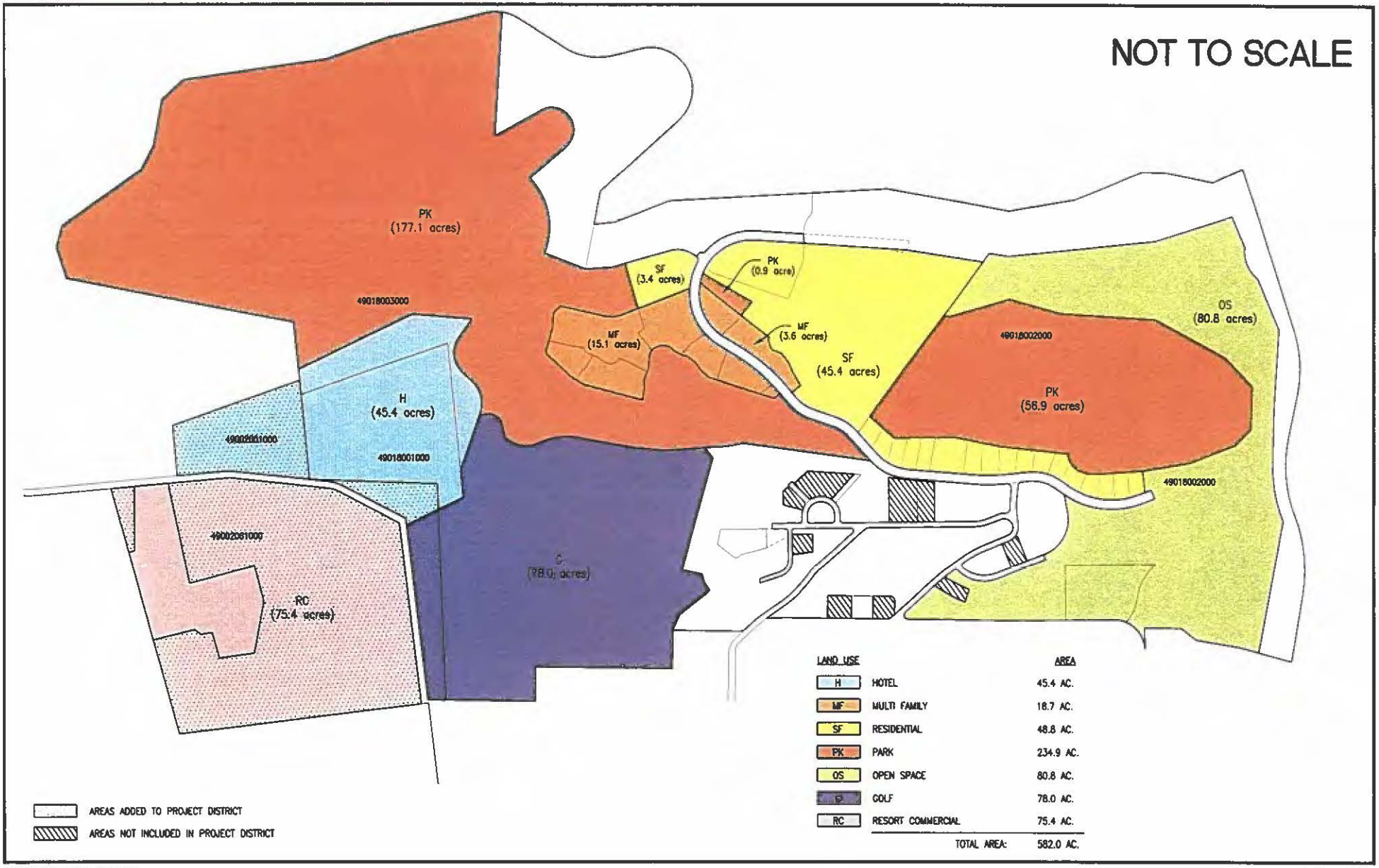
KOELE PROJECT DISTRICT

March 26, 2021

EXHIBIT 2.

Proposed Kō‘ele Project District Map

Proposed Kō'ele Project District Map



KOELE PROJECT DISTRICT

April 1, 2021

EXHIBIT 3.

Proposed Amendments to Maui County Code, Chapter 19.71 Lānaʻi Project District 2 (Kōʻele)

Chapter 19.71 LANAI PROJECT DISTRICT 2 (KOELE)

19.71.010 Purpose and intent.

A. The purpose and intent of project district 2 at Koele, Lanai, is to provide for a flexible and creative approach to development which considers physical, environmental, social, and economic factors in a comprehensive manner.

B. The purpose and intent of project district 2 at Koele is to establish a low-density ~~primarily~~ residential and recreational development with hotel facilities in an upland rural setting.

C. This project district is to be complementary and supportive of services offered in Lanai city and will provide housing and recreational opportunities to island residents. Uses include, but are not limited to, single-family residential, multifamily residential, hotel, open space, park, resort commercial, and golf course.~~and public.~~

(Ord. 2139 § 2, 1992: Ord. 1580 § 1 (part), 1986)

19.71.020 Residential PD-L/2.

A. Permitted Uses. Within the residential districts, the following uses shall be permitted:

1. Principal uses:

a. Single-family detached dwellings;

b. Greenhouses, flower and truck gardens, and nurseries; provided there shall be no retailing or transacting of business on the premises;

c. Parks and playgrounds.

2. Accessory uses and structures;

a. Day care nurseries, kindergartens, nursery schools, child care homes, day care homes, day care centers, nurseries, preschool kindergartens, babysitting services, learning pods, home schools, and other like facilities located in private homes used for child care and learning services. These facilities shall serve six or fewer children at any one time on lot sizes of less than seven thousand five hundred square feet, eight or fewer children at any one time on lot sizes of seven thousand five hundred or more square feet but less than ten thousand square feet, or twelve or fewer children at any one time on lot sizes of ten thousand or more square feet;

b. Trash enclosures;

c. Garages;

d. Accessory dwelling for a lot with .5 acre or more, subject to the provisions of chapter 19.35;

e. Subordinate uses and structures that are determined by the Director of Planning to be clearly incidental and customary to the permitted uses listed herein.

~~3. Special accessory uses:~~

~~a. Green houses,~~

~~b. Accessory dwelling for a lot with .5 acre or more, subject to the provisions of chapter 19.35.~~

B. Development standards for residential districts shall be:

1. Minimum lot area, six thousand square feet;
2. Minimum lot width, sixty feet;
3. Minimum building setback:
   a. Front yard, fifteen feet,
   b. Side yard, six feet, ten feet for the second story of a structure,
   c. Rear yard, six feet, ten feet for the second story of a structure;
4. Maximum overall net density, two and one-half units per acre;
5. Maximum height, two stories not to exceed thirty feet.

(Ord. 1580 § 1 (part), 1986)

19.71.030 Multifamily PD-L/2.

A. Permitted Uses. Within multifamily districts, the following uses shall be permitted:

1. Principal uses:
   a. Single-family detached buildings,
   b. Apartment houses,
   c. Duplexes;
2. Accessory uses and structures.
   a. Day care nurseries, kindergartens, nursery schools, child care homes, day care homes, day care centers, nurseries, preschool kindergartens, babysitting services, learning pods, home schools, and other like facilities located in private homes used for child care and learning services. These facilities shall serve six or fewer children at any one time on lot sizes of less than seven thousand five hundred square feet, eight or fewer children at any one time on lot sizes of seven thousand five hundred or more square feet but less than ten thousand square feet, or twelve of fewer children at any one time on lot sizes of ten thousand or more square feet;
   b. Trash enclosures;
   c. Garages;
   d. Subordinate uses and structures that are determined by the Director of Planning to be clearly incidental and customary to the permittes uses listed herein

B. Development standards for multifamily districts shall be:

1. Minimum lot area, one acre;
2. Minimum lot width, one hundred ten feet;
3. Minimum building setback:
   a. Front yard, fifteen feet,

b. Side yard, ten feet, fifteen feet for two stories,

c. Rear yard, ten feet, fifteen feet for two stories;

4. Maximum overall net density, six units per acre;

5. Maximum floor area ratio, 0.5;

6. Maximum height, two stories not to exceed thirty feet.

(Ord. 2139 § 3, 1992; Ord. 1580 § 1 (part), 1986)

19.71.040 Hotel PD-L/2.

A. Permitted Uses. Within hotel districts, the following uses shall be permitted:

1. Principal uses:

a. Hotel;

b. Automobile parking lots and buildings;

c. Historical buildings, structures, or sites.

2. Accessory uses and structures;

a. Trash enclosures;

b. Ground signs;

c. Boundary walls and fences;

d. The following uses shall be operated as an adjunct to, and as part of, a hotel with said hotel having at least twenty-five rooms. Furthermore, these uses shall be operated primarily as a service to, and for the convenience of, the tenants and occupants of the hotel on which premises such services are located. The shops and businesses may be constructed as separate buildings. However, entrances to shops and businesses shall not front on a street.

i. Activities/information center;

ii. Bars, nightclubs;

iii. Fitness centers;

iv. Flower shops;

v. Eating and drinking establishments;

vi. Outdoor recreation;

vii. Recreational facilities including tennis and other playing courts, horse riding stables, and equestrian trails;

viii. Spa facilities and support services;

ix. Sundry shops;

x. Swimming pools;

xi. Theater/auditoriums;

xii. Ticket agencies;

xiii. Other accessory business or service establishments that furnish goods or perform services primarily for hotel guests.

e. Subordinate uses and structures which are determined by the Director of Planning to be incidental and customary to the permitted uses listed herein.

~~3. Special accessory uses:~~

~~a. The following uses shall be operated as an adjunct to, and as part of, a hotel with said hotel having at least twenty-five rooms. Furthermore, these uses shall be operated primarily as a service to, and for the convenience of, the tenants and occupants of the hotel on which premises such services are located.~~

~~i. Activities/information center,~~

~~ii. Bars, nightclubs,~~

~~iii. Flower shops,~~

~~iv. Eating establishments,~~

~~v. Recreational facilities including horse riding stables, and equestrian trails,~~

~~vi. Sundry shops,~~

~~vii. Theater/auditoriums,~~

~~viii. Ticket agencies;~~

~~b. The shops and businesses may be constructed as separate buildings. However, entrances to shops and businesses shall not front on a street.~~

B. Special Uses. Other uses may be approved by the Lanai Planning Commission subject to the provisions of section 19.510.070 of this title. ~~The following are declared special uses in hotel districts, and approval of the commission shall be obtained:~~

~~1. Other uses of similar accessory retail character.~~

C. Development standards for hotel districts shall be:

1. Minimum lot area, one acre;
2. Minimum lot width, one hundred ten feet;
3. Minimum building setback:
   a. Front yard, twenty feet,
   b. Side yard, ten feet,
   c. Rear yard, fifteen feet;
4. Maximum floor area ratio, 0.8;
5. Maximum lot coverage, forty percent;
6. Maximum height, two stories not to exceed thirty feet, except that the ~~planning director~~ Director of Planning may approve a greater height limitation for a structure where the ~~planning director~~ Director of Planning determines that the increased height will enhance the appeal and architectural integrity of the structure, provided that the additional area created by the excess height shall not be used for habitation nor storage;
7. Maximum overall net density, twelve units per acre.

(Ord. 2139 § 4, 1992: Ord. 1580 § 1 (part), 1986)

19.71.050 Park PD-L/2.

A. Permitted Uses. Within park districts, the following uses shall be permitted:

1. Principal uses:

a. ~~Noncommercial p~~Parks and playgrounds;

b. Cultural and performing arts facilities;

c. Fitness courses;

d. Historical buildings, structures and sites, and sites or areas of scenic interest;

e. Maintenance areas and structures;

f. Outdoor recreation and recreational activities;

g. Picnicking;

h. Playing courts and playfields;

i. Public utilities;

j. Recreational and educational centers and facilities;

k. Sculpture gardens;

l. Trail activities;

m. Zip line recreational activities;

n. Other similar commercial or noncommercial enterprises or activities that are not detrimental to the welfare of the surrounding area; provided such uses shall be approved by the Director of Planning as conforming to the intent of this chapter.

2. Accessory uses and structures.

a. Energy systems, small-scale; provided such use shall not cause a detrimental or nuisance effect on neighboring properties;

b. Light fixtures and light poles; provided lighting or lamp posts and lighting controls shall be full cut-off luminaries to lessen possible sea bird strikes;

c. Park furniture, including but not limited to benches, picnic tables, and fountains;

d. Botanical gardens;

e. Bazaars, fairs, food, wine, film, or other festivals that are special events and temporary in nature. "Temporary" for the purposes of this section shall mean that each festival or event may be held for no more that thirty days in a calendar year;

f. Restaurants and gift shops;

g. Pavillions;

h. Comfort and shelter stations;

i. Clubhouses for recreational uses, including restrooms, check-in counters or kiosks, and other ancillary facilities;

j. Parking lot, loading and unloading area;

k. Maintenance facilities;

l. Subordinate uses and structures that are determined by the Director of Planning to be incidental and customary to the permitted uses listed herein.

B. Development standards for park districts shall be:

1. Minimum lot area, two acres;

2. Minimum lot width, one hundred fifty feet;

3. Minimum structure setback:

a. Front yard, fifteen feet,

b. Side yard, fifteen feet,

c. Rear yard, fifteen feet;

~~4. Maximum lot coverage, five percent;~~

~~5. Maximum height, one story not to exceed twenty feet.~~

C. Non-potable water shall be used for irrigation to the extent available. Nothwithstanding anything to the contrary under chapter 20.30 of this title, high level aquifer groundwater may be used for irrigation in areas where sufficient non-potable water is not available. Areas within Park districts that have continually and lawfully used high level aquifer groundwater for maintenance and irrigation shall be permitted to continue such use, subject to the provisions of section 19.500.110 of this title.

(Ord. 1580 § 1 (part), 1986)

19.71.055 Golf course PD-L/2.

A. Permitted Uses. Within the golf course district, the following uses shall be permitted:

1. Principal uses:

a. Golf courses except for miniature golf courses,

b. Historical buildings, structures, or sites;

2. Accessory Uses and Structures. Accessory uses and structures which include, but which are not limited to, the following:

a. One caretaker's dwelling unit,

b. Cart barns and other equipment, storage, and maintenance facilities,

c. One clubhouse with one snack bar, one restaurant, and a pro shop for the sale and service of golf equipment and materials used for golfing purposes,

d. Comfort and shelter stations,

e. Golf and driving range including instructional and practice facilities,

f. Greenhouses to maintain landscaping on the zoning lot,

g. Indoor and outdoor playing courts, swimming pools, and meeting rooms, provided that no major meeting places such as convention halls and athletic complexes such as tennis centers or other permanent spectator accommodations shall be permitted,

h. Off-street parking and loading,

i. Park furniture,

j. Public utility;

k. Weight, massage, sauna, and locker rooms,

l. Bazaars, fairs, food, wine, film, or other festivals that are special events and temporary in nature. "Temporary" for purposes of this section shall mean that each festival or event may be held for no more than thirty days in a calendar year.

m. Subordinate uses and structures that are determined by the Director of Planning to be incidental and customary to the permitted uses listed herein. ~~Other accessory uses for which a special use permit has been obtained in accordance with chapter 205 of the Hawaii Revised Statutes.~~

~~C.~~ B. Development standards for the golf course district shall be:

1. Minimum lot area, fifty acres for par three or nine hole; ~~or one hundred ten acres for eighteen hole;~~

2. Minimum building setback, all yards, fifty feet;

3. Maximum height, thirty-five feet; provided that ten feet of additional height may be permitted if a cart barn is located in the basement level of the structure, and provided further that minor utility facilities, vent pipes, fans, chimneys, and energy-savings devices shall be permitted additional height if the item is mounted on the roof of a facility; except that in no event shall this additional height exceed five feet above the governing height limit.

C. Irrigation. Nothwithstanding anything to the contrary under chapter 20.30 or 14.08 of this title, golf courses in existence and operation prior to 1991 that have continually and lawfully utilized high level aquifer groundwater for maintenance and irrigation shall be permitted to continue such use, subject to the provisions of section 19.500.110 of this title.

~~D. Irrigation. No high level aquifer groundwater will be used for golf course maintenance or operation (other than as water for human consumption) and that all irrigation of the golf course shall be through alternative nonpotable water sources, except as may be allowed from time to time as follows:~~

~~1. The director of the department of public works and waste management, after notification of the chairperson and deputy director of the commission on water resources management, the chair of the Maui County council, the Lanai representative on the Maui County council, any appropriate subcommittee established under one of the Maui County council's standing committees to review water related issues on Lanai, the chair of the Lanai planning commission, and other state and/or county officials as appropriate, may authorize the use of potable groundwater from the high level aquifer if the director finds, in writing, there is an occurrence of an unanticipated event, including but not limited to:~~

~~a. Chemical contamination of a nonpotable source by chemicals not approved for application to golf courses in accordance with Golf Course Superintendents Association of American standards; or~~

~~b. Chemical contamination of a nonpotable source resulting in chemical concentrations not approved for golf course application by the Golf Course Superintendents Association of America, excluding, however, naturally occurring concentrations of chemicals or minerals; or~~

~~c. A water transmission line break resulting in the interruption in the delivery of nonpotable water for golf course irrigation; or~~

~~d. Failure of the pumping system used to pump nonpotable water; or~~

e. A failure in the sewage reclamation systems which provide irrigation water for the golf course; or

f. Draw-down of various lakes or reservoirs due to use of that water to fight fires or other similar emergencies; or

g. Due to the failure of the main electrical power feed to facilities used to irrigate the golf course with nonpotable water; and

h. Under to circumstances shall drought be deemed an unanticipated event such that a permit may be issued.

2. Prior to the director approving the use of potable high level aquifer groundwater for golf course irrigation the golf course owner shall have provided to the director:

a. Materials, reports and other supporting documents setting forth the facts and/or circumstances which gave rise to the immediate need for golf course irrigation with potable high level aquifer groundwater;

b. A plan showing that no continuous physical connection will be made between the potable and nonpotable water systems;

c. A remedial plan to restore the use of nonpotable water in as short a time as possible, and shall include manufacturing and/or shipping times of various items needed for the restoration, as appropriate, and shall further indicate those items will be obtained and/or shipped by the most expeditious means available; and

d. A plan detailing how the following uses will be accommodated, including all sources from which water will be obtained (specifically addressing the use of existing reservoirs and lake water) and a watering/distribution plan, with the priority of uses as follows, such uses being based on a daily average of the historical record of use over the prior twelve month period immediately preceding the unanticipated event:

i. Residential/domestic consumption (excluding irrigation uses),

ii. Commercial, business and resort consumption where potable water is necessarily used,

iii. Agricultural consumption, and

iv. Irrigation (including residential and large scale uses such as the golf course). This part of the plan shall address the order in which portions of the golf course shall cease to be watered as the situation continues.

3. The permit issued by the director shall:

a. Be issued only one time for any single unanticipated event and shall be valid for a period not to exceed thirty calendar days. The director may propose a longer period to the council and the council, by resolution, may indicate its concurrence with the director's determination that the permit should be issued for a period greater than thirty days. If the council does not so concur, the permit shall be valid for a period not to exceed thirty days. The golf course owner is prohibited from applying for a new permit for the same unanticipated event where the original permit has expired and the remedial action has not been completed, and the director is prohibited from issuing any further permits for the same unanticipated event where the original permit has expired and the remedial action has not been completed;

b. Require the golf course owner to submit weekly reports to the director and the council regarding the status of the situation, efforts made to address the situation, and the amount

of potable groundwater used from the high level aquifer for that week. Meter readings shall be physically verified of public works and waste management;

e. Include any conditions or restrictions appropriate and reasonably related to the circumstances surrounding the use of high level aquifer potable groundwater and the remedial work to be done, and also including the authority to impose a cap on the use of such water based on the historical monthly average of use of nonpotable water, in an amount not to exceed two hundred fifty thousand gallons per day.

4. A copy of the permit shall be transmitted to all persons notified pursuant to subsection D1 of this section, the same day it is issued.

E. Reseeding or Regrassing. Notwithstanding Ordinance 2066, at such time as the fairways at the golf course are to be reseeded or regrassed so as to provide the golf course with more water efficient or better quality grass, the golf course owner may make a request of the county council for the use of potable groundwater from the high level aquifer in an amount up to twenty-seven thousand gallons per day per fairway to supplement irrigation water from alternative nonpotable water sources. Such approval shall be by resolution of the council. Such additional water may be used for a period not to exceed twenty-eight days per fairway. Only one fairway shall be irrigated with the additional water at any given time. No more than four fairways shall be reseeded or regrassed during any calendar year. Fairways shall only be reseeded or regrassed between the months of May through October, inclusive. Each fairway shall only be reseeded one time only under the provisions of this section. No continuous physical connection will be made between the potable and nonpotable water systems. In determining whether or not to approve the golf course owner's request, the council shall ensure that an adequate supply of water shall be available for golf course irrigation in accordance with the priority of uses as follows: (1) residential/domestic consumption (excluding irrigation uses); (2) commercial, business and resort consumption where potable water is necessarily used; (3) agricultural consumption; and (4) irrigation (including residential and large scale uses such as the golf course). If, during the reseeding or regrassing of a fairway, an unanticipated event occurs for which a permit is issued pursuant to subsection D of this section, above, the golf course owner may continue to use potable water for reseeding or regrassing, but only to the extent that such cumulative total of potable water permitted to be used pursuant to subsection D of this section and this subsection does not exceed two hundred fifty thousand gallons per day.

(Ord. 2516 § 1, 1996; Ord. 2515 § 1, 1996; Ord. 2139 § 5, 1992)

19.71.060 Open space PD-L/2.

A. Permitted Uses. Within open space districts, the following uses shall be permitted:

1. Principal uses:

a. Forest reserves,

b. ~~Game reserves,~~ Miniature golf courses,

c. Open agricultural uses not requiring intensive cultivation, including orchards, vineyards, nurseries, and the raising and grazing of livestock, provided the raising of ~~other than~~ swine and fighting fowl shall not be permitted,

d. Parks, botanical, sculpture, and zoological gardens,

e. Public and quasi-public utility installations and substations,

f. Watersheds, wells, water reservoirs, and water control structures and drainage structures;

2. Accessory uses and structures that are determined by the Director of Planning to be incidental and customary to the permitted uses listed herein.

B. Special Uses. The following are declared special uses in open space districts, and approval of the ~~Maui~~ Lanai planning commission shall be obtained:

1. Public utilities, including temporary sewage treatment plants;
2. Recreational facilities of an outdoor nature, including cultural and historical facilities, with a minimum of five acres;
3. Riding stables and equestrian trails with a minimum of ten acres.

C. Development standards for open space districts shall be:

1. Minimum lot area, five acres;
2. Minimum lot width, two hundred fifty feet;
3. Minimum building setback:
   a. Front yard, fifty feet,
   b. Side yard, fifty feet,
   c. Rear yard, fifty feet;
4. Maximum height, no portion of any building or structure shall exceed thirty feet in height;
5. Maximum lot coverage, ten percent.

(Ord. 2139 § 6, 1992: Ord. 1580 § 1 (part), 1986)

19.71.070 ~~Public~~ Resort Commercial PD-L/2.

A. Permitted Uses. Within ~~public~~ resort commercial districts, the following uses shall be permitted:

1. Principal uses:
   a. ~~Utility installations and substations~~Amusement and recreational activities;
   b. Catering establishments;
   c. Eating and drinking establishments;
   d. Fitness centers;
   e. Historic buildings, structures and sites, and sites or areas of scenic interest;
   f. Information centers;
   g. Museums;
   h. News and magazine stands;
   i. Outdoor recreation and outdoor recreational facilities;
   j. Parking lots;
   k. Riding stables and riding academies, trails, rodeo corrals and arenas, and equestrian activities and facilities;
   l. Sculptures;
   m. Taxicab, car rental, and U-drive stations and offices;
   n. Tennis and other playing courts;

o. Other uses of similar character providing foods, services or facilities primarily to guests and transient visitors; provided the Director of Planning may approve such uses as conforming to the intent of this article, subject to terms and conditions as may be warranted and required by the Director of Planning.

2. Accessory uses and structures.

a. Energy systems, small-scale, provided there will be no detrimental or nuisance effect upon neighbors;

b. Other uses that are determined by the Director of Planning to be clearly incidental and customary to a permitted use.

B. Special uses. Any other business, service, or commercial establishments that is of similar character in rendering sales or performing services to guests, visitors, and residents of the area; provided approval of the Lanai Planning Commission is obtained and the use conforms to the intent of this district.

C. Development standards for ~~public~~ resort commercial districts shall be:

1. Minimum lot area, ~~one acre~~six thousand square feet;

2. Minimum lot width, ~~one hundred ten~~sixty feet;

3. Maximum height, thirty-five feet, except that vent pipes, fans, chimneys, antennae, and equipment used for small-scale energy systems on roofs shall not exceed forty-five feet;

4. Minimum ~~yard~~ building setback:

a. Front yard, ~~twenty~~fifteen feet,

b. Side and rear yard, ~~twenty~~zero to ten feet. The ten foot setback applies if a property abuts a district zoned R-1, R-2, R-3, or R-0 Residential; A-1 or A-2 Apartment; two family (duplex); or H-1, H-2, H-M Hotel; or any area zoned residential, apartment, or hotel in any project district.

~~c. Rear yard, twenty feet;~~

5. Maximum height, two stories not to exceed thirty feet.

~~D. Landscaping Requirements. In public districts a four foot wide strip shall surround the perimeter of the structures or buildings.~~

(Ord. 1580 § 1 (part), 1986)

19.71.080 Land use categories and acreages.

A. The following are established as maximum acreages for various land use categories within the Koele project district:

Residential	~~214.0~~48.8 acres
Multifamily	~~26.0~~18.7 acres
Hotel	~~21.1~~45.4 acres
Open space	~~12.0~~80.8 acres
~~Public~~	~~1.0 acres~~
Park	~~11.5~~234.9 acres
Golf course	~~332.4~~78.0 acres
Resort commercial	75.4 acres

(Ord. 2139 § 7, 1992: Ord. 1580 § 1 (part), 1986)

19.71.090 General standards of development.

Any tract of land for which development is sought in the project district for Koele shall be subject to the following standards:

A. Steep Slopes.

1. "Steep slopes" are defined as lands where the inclination of the surface from the horizontal is twelve percent or greater prior to any grading.

2. A tract master plan shall be provided showing the building envelope, required setbacks, and preliminary drainage plan for each lot within the given tract and shall be reviewed and approved by the planning department during phase III project district review. The planning department may impose mitigative measures to ensure minimum subsidence and erosion on slopes exceeding thirty percent and on portions of the tract which are immediately adjacent to ravines. The tract master plan may include all or any part of the given tract, however phase III approval shall only apply to that part. Prior to the issuance of a building permit for a dwelling on a lot, the grading and erosion control plan for that lot shall be submitted to and approved by the department of public works and waste management, which shall review the final grading plan in accordance with the following criteria:

   a. Individual lot drainage shall conform with the approved phase III preliminary drainage plan;

   b. Erosion control measures to prevent erosion and sedimentation into the adjoining natural drainageway during construction of the home and exterior improvements shall be specified:

   c. A plan shall be submitted for revegetation of all disturbed and exposed slopes. This plan shall show how exposed surfaces will be planted and covered after construction to prevent erosion and sedimentation into the adjoining drainageway; and

   d. The planning department may require additional information if deemed necessary to support any request for phase III approval.

B. Ravines and Ravine Buffers.

1. At least ninety-five percent of all ravines shall remain in permanent open space. At least eighty percent of all ravine buffers shall remain in permanent open space.

2. "Ravines" are defined as valleys with sharply sloping walls created by action of intermittent stream waters. Ravine buffer areas are to be shown on the tract master plan and shall be at least equal to ten percent of the mean depth of the lot measured from the top of the ravine wall.

C. Wetlands. Areas such as swamps, marshes, bogs or other similar lands shall remain as permanent undisturbed open space.

D. Woodlands.

1. No more than sixty percent of existing woodland area shall be cleared. The remaining forty percent shall be maintained as permanent open space which may be enhanced by landscape planting as approved by the planning department.

2. "Woodlands" are defined as areas, including one or more lots, covering one contiguous acre or more, and consisting of thirty-five percent or more canopy tree coverage, where (a) trees have a caliper of at least sixteen inches; or (b) any grove of ten trees or more have calipers of at least ten

inches. For the purposes of this section, a "grove" is defined as a stand of trees lacking natural underbrush or undergrowth.

E. Other Resources. Areas of important natural, historical, archaeological, or cultural resources or unique physical features, not otherwise mentioned in this section, shall be identified, and provisions shall be outlined to preserve or improve said resource or feature.

F. Design.

1. At least twenty percent of the lot area of each development shall be in protected open space. This includes areas defined in this section but does not include roadways, streets, and parking lots

2. Each building and structure shall be designed by a ~~Hawaii registered~~ licensed architect to conform with the intent of the project district.

G. Recreational, Community, and Open Space Facilities.

1. Recreational and community facilities shall be provided.

2. Provision shall be made for continuing management of all recreational, community, and open space facilities to insure proper maintenance and policing. Documents to said effect shall be required.

H. Infrastructure. The development shall not burden governmental agencies to provide substantial infrastructural improvements.

I. Landscape Planting.

1. Comprehensive landscaping of the entire development shall be provided, including along streets, within lots, and in open spaces.

2. Landscape planting is to be considered as an integral element to be utilized for visual screening, shade, definition, and environmental control. Furthermore, the use of recycled water is to be considered for irrigation purposes.

J. Signage. A comprehensive signage program shall be designed for the total development area and defined to at least include sizes, format, conceptual design, color schemes, and landscaping.

K. Lighting. Lighting shall be established in a manner so as to not adversely impact the surrounding areas.

(Ord. 2407 § 1, 1995: Ord. 2139 § 8, 1992: Ord. 1580 § 1 (part), 1986)

~~19.71.100 Required agreements.~~

~~In accordance with section 19.45.050, the applicant shall enter into the following bilateral agreements:~~

~~A. A bilateral agreement requiring the applicant to develop and coordinate a training program for all phases of hotel operations; provided, that development other than hotel development within the project district may proceed before the agreement has been executed; and~~

~~B. A bilateral agreement requiring the applicant to develop and coordinate an affordable housing program for residents of Lanai; provided, that development other than hotel development within the project district may proceed before the agreement has been executed.~~

~~(Ord. 1580 § 1 (part) 1986)~~

Chapter 19.71 LANAI PROJECT DISTRICT 2 (KOELE)

19.71.010 Purpose and intent.

A. The purpose and intent of project district 2 at Koele, Lanai, is to provide for a flexible and creative approach to development which considers physical, environmental, social, and economic factors in a comprehensive manner.

B. The purpose and intent of project district 2 at Koele is to establish a low-density residential and recreational development with hotel facilities in an upland rural setting.

C. This project district is to be complementary and supportive of services offered in Lanai city and will provide housing and recreational opportunities to island residents. Uses include, but are not limited to, single-family residential, multifamily residential, hotel, open space, park, resort commercial, and golf course.

(Ord. 2139 § 2, 1992: Ord. 1580 § 1 (part), 1986)

19.71.020 Residential PD-L/2.

A. Permitted Uses. Within the residential districts, the following uses shall be permitted:

1. Principal uses:

   a. Single-family detached dwellings;

   b. Greenhouses, flower and truck gardens, and nurseries; provided there shall be no retailing or transacting of business on the premises;

   c. Parks and playgrounds.

2. Accessory uses and structures;

   a. Day care nurseries, kindergartens, nursery schools, child care homes, day care homes, day care centers, nurseries, preschool kindergartens, babysitting services, learning pods, home schools, and other like facilities located in private homes used for child care and learning services. These facilities shall serve six or fewer children at any one time on lot sizes of less than seven thousand five hundred square feet, eight or fewer children at any one time on lot sizes of seven thousand five hundred or more square feet but less than ten thousand square feet, or twelve or fewer children at any one time on lot sizes of ten thousand or more square feet;

   b. Trash enclosures;

   c. Garages;

   d. Accessory dwelling for a lot with .5 acre or more, subject to the provisions of chapter 19.35;

   e. Subordinate uses and structures that are determined by the Director of Planning to be clearly incidental and customary to the permitted uses listed herein.

B. Development standards for residential districts shall be:

1. Minimum lot area, six thousand square feet;
2. Minimum lot width, sixty feet;
3. Minimum building setback:
    a. Front yard, fifteen feet,
    b. Side yard, six feet, ten feet for the second story of a structure,
    c. Rear yard, six feet, ten feet for the second story of a structure;
4. Maximum overall net density, two and one-half units per acre;
5. Maximum height, two stories not to exceed thirty feet.

(Ord. 1580 § 1 (part), 1986)

19.71.030 Multifamily PD-L/2.

A. Permitted Uses. Within multifamily districts, the following uses shall be permitted:
    1. Principal uses:
        a. Single-family detached buildings,
        b. Apartment houses,
        c. Duplexes;
    2. Accessory uses and structures.
        a. Day care nurseries, kindergartens, nursery schools, child care homes, day care homes, day care centers, nurseries, preschool kindergartens, babysitting services, learning pods, home schools, and other like facilities located in private homes used for child care and learning services. These facilities shall serve six or fewer children at any one time on lot sizes of less than seven thousand five hundred square feet, eight or fewer children at any one time on lot sizes of seven thousand five hundred or more square feet but less than ten thousand square feet, or twelve of fewer children at any one time on lot sizes of ten thousand or more square feet;
        b. Trash enclosures;
        c. Garages;
        d. Subordinate uses and structures that are determined by the Director of Planning to be clearly incidental and customary to the permittes uses listed herein.

B. Development standards for multifamily districts shall be:
    1. Minimum lot area, one acre;
    2. Minimum lot width, one hundred ten feet;
    3. Minimum building setback:
        a. Front yard, fifteen feet,
        b. Side yard, ten feet, fifteen feet for two stories,
        c. Rear yard, ten feet, fifteen feet for two stories;
    4. Maximum overall net density, six units per acre;

5. Maximum floor area ratio, 0.5;

6. Maximum height, two stories not to exceed thirty feet.

(Ord. 2139 § 3, 1992; Ord 1580 § 1 (part), 1986)

19.71.040 Hotel PD-L/2.

A. Permitted Uses. Within hotel districts, the following uses shall be permitted:

1. Principal uses:

   a. Hotel;

   b. Automobile parking lots and buildings;

   c. Historical buildings, structures, or sites.

2. Accessory uses and structures;

   a. Trash enclosures;

   b. Ground signs;

   c. Boundary walls and fences;

   d. The following uses shall be operated as an adjunct to, and as part of, a hotel with said hotel having at least twenty-five rooms. Furthermore, these uses shall be operated primarily as a service to, and for the convenience of, the tenants and occupants of the hotel on which premises such services are located. The shops and businesses may be constructed as separate buildings. However, entrances to shops and businesses shall not front on a street.

      i. Activities/information center;

      ii. Bars, nightclubs;

      iii. Fitness centers;

      iv. Flower shops;

      v. Eating and drinking establishments;

      vi. Outdoor recreation;

      vii. Recreational facilities including tennis and other playing courts, horse riding stables, and equestrian trails;

      viii. Spa facilities and support services;

      ix. Sundry shops;

      x. Swimming pools;

      xi. Theater/auditoriums;

      xii. Ticket agencies;

      xiii. Other accessory business or service establishments that furnish goods or perform services primarily for hotel guests.

   e. Subordinate uses and structures which are determined by the Director of Planning to be incidental and customary to the permitted uses listed herein.

B. Special Uses. Other uses may be approved by the Lanai Planning Commission subject to the provisions of section 19.510.070 of this title.

C. Development standards for hotel districts shall be:

1. Minimum lot area, one acre;
2. Minimum lot width, one hundred ten feet;
3. Minimum building setback:
    a. Front yard, twenty feet,
    b. Side yard, ten feet,
    c. Rear yard, fifteen feet;
4. Maximum floor area ratio, 0.8;
5. Maximum lot coverage, forty percent;
6. Maximum height, two stories not to exceed thirty feet, except that theDirector of Planning may approve a greater height limitation for a structure where the Director of Planning determines that the increased height will enhance the appeal and architectural integrity of the structure, provided that the additional area created by the excess height shall not be used for habitation nor storage;
7. Maximum overall net density, twelve units per acre.

(Ord. 2139 § 4, 1992: Ord. 1580 § 1 (part), 1986)

19.71.050 Park PD-L/2.

A. Permitted Uses. Within park districts, the following uses shall be permitted:

1. Principal uses:
    a. Parks and playgrounds;
    b. Cultural and performing arts facilities;
    c. Fitness courses;
    d. Historical buildings, structures and sites, and sites or areas of scenic interest;
    e. Maintenance areas and structures;
    f. Outdoor recreation and recreational activities;
    g. Picnicking;
    h. Playing courts and playfields;
    i. Public utilities;
    j. Recreational and educational centers and facilities;
    k. Sculpture gardens;
    l. Trail activities;
    m. Zip line recreational activities;

n. Other similar commercial or noncommercial enterprises or activities that are not detrimental to the welfare of the surrounding area; provided such uses shall be approved by the Director of Planning as conforming to the intent of this chapter.

2. Accessory uses and structures.

a. Energy systems, small-scale; provided such use shall not cause a detrimental or nuisance effect on neighboring properties;

b. Light fixtures and light poles; provided lighting or lamp posts and lighting controls shall be full cut-off luminaries to lessen possible sea bird strikes;

c. Park furniture, including but not limited to benches, picnic tables, and fountains;

d. Botanical gardens;

e. Bazaars, fairs, food, wine, film, or other festivals that are special events and temporary in nature. "Temporary" for the purposes of this section shall mean that each festival or event may be held for no more that thirty days in a calendar year;

f. Restaurants and gift shops;

g. Pavillions;

h. Comfort and shelter stations;

i. Clubhouses for recreational uses, including restrooms, check-in counters or kiosks, and other ancillary facilities;

j. Parking lot, loading and unloading area;

k. Maintenance facilities;

l. Subordinate uses and structures that are determined by the Director of Planning to be incidental and customary to the permitted uses listed herein.

B. Development standards for park districts shall be:

1. Minimum lot area, two acres;

2. Minimum lot width, one hundred fifty feet;

3. Minimum structure setback:

a. Front yard, fifteen feet,

b. Side yard, fifteen feet,

c. Rear yard, fifteen feet;

C. Non-potable water shall be used for irrigation to the extent available. Nothwithstanding anything to the contrary under chapter 20.30 of this title, high level aquifer groundwater may be used for irrigation in areas where sufficient non-potable water is not available. Areas within Park districts that have continually and lawfully used high level aquifer groundwater for maintenance and irrigation shall be permitted to continue such use, subject to the provisions of section 19.500.110 of this title.

(Ord. 1580 § 1 (part), 1986)

19.71.055 Golf course PD-L/2.

A. Permitted Uses. Within the golf course district, the following uses shall be permitted:

1. Principal uses:
    a. Golf courses except for miniature golf courses,
    b. Historical buildings, structures, or sites;
2. Accessory Uses and Structures. Accessory uses and structures which include, but which are not limited to, the following:
    a. One caretaker's dwelling unit,
    b. Cart barns and other equipment, storage, and maintenance facilities,
    c. One clubhouse with one snack bar, one restaurant, and a pro shop for the sale and service of golf equipment and materials used for golfing purposes,
    d. Comfort and shelter stations,
    e. Golf and driving range including instructional and practice facilities,
    f. Greenhouses to maintain landscaping on the zoning lot,
    g. Indoor and outdoor playing courts, swimming pools, and meeting rooms, provided that no major meeting places such as convention halls and athletic complexes such as tennis centers or other permanent spectator accommodations shall be permitted,
    h. Off-street parking and loading,
    i. Park furniture,
    j. Public utility;
    k. Weight, massage, sauna, and locker rooms,
    l. Bazaars, fairs, food, wine, film, or other festivals that are special events and temporary in nature. "Temporary" for purposes of this section shall mean that each festival or event may be held for no more than thirty days in a calendar year.
    m. Subordinate uses and structures that are determined by the Director of Planning to be incidental and customary to the permitted uses listed herein.

B. Development standards for the golf course district shall be:
    1. Minimum lot area, fifty acres for par three or nine hole;
    2. Minimum building setback, all yards, fifty feet;
    3. Maximum height, thirty-five feet; provided that ten feet of additional height may be permitted if a cart barn is located in the basement level of the structure, and provided further that minor utility facilities, vent pipes, fans, chimneys, and energy-savings devices shall be permitted additional height if the item is mounted on the roof of a facility; except that in no event shall this additional height exceed five feet above the governing height limit.

C. Irrigation. Nothwithstanding anything to the contrary under chapter 20.30 or 14.08 of this title, golf courses in existence and operation prior to 1991 that have continually and lawfully utilized high level aquifer groundwater for maintenance and irrigation shall be permitted to continue such use, subject to the provisions of section 19.500.110 of this title.

(Ord. 2516 § 1, 1996; Ord. 2515 § 1, 1996; Ord. 2139 § 5, 1992)

19.71.060 Open space PD-L/2.

A. Permitted Uses. Within open space districts, the following uses shall be permitted:

1. Principal uses:

a. Forest reserves,

b. Miniature golf courses,

c. Open agricultural uses not requiring intensive cultivation, including orchards, vineyards, nurseries, and the raising and grazing of livestock, provided the raising of swine and fighting fowl shall not be permitted,

d. Parks, botanical, scuplture, and zoological gardens,

e. Public and quasi-public utility installations and substations,

f. Watersheds, wells, water reservoirs, and water control structures and drainage structures;

2. Accessory uses and structures that are determined by the Director of Planning to be incidental and customary to the permitted uses listed herein.

B. Special Uses. The following are declared special uses in open space districts, and approval of the Lanai planning commission shall be obtained:

1. Public utilities, including temporary sewage treatment plants;

2. Recreational facilities of an outdoor nature, including cultural and historical facilities, with a minimum of five acres;

3. Riding stables and equestrian trails with a minimum of ten acres.

C. Development standards for open space districts shall be:

1. Minimum lot area, five acres;

2. Minimum lot width, two hundred fifty feet;

3. Minimum building setback:

a. Front yard, fifty feet,

b. Side yard, fifty feet,

c. Rear yard, fifty feet;

4. Maximum height, no portion of any building or structure shall exceed thirty feet in height;

5. Maximum lot coverage, ten percent.

(Ord. 2139 § 6, 1992: Ord. 1580 § 1 (part), 1986)

19.71.070 Resort Commercial PD-L/2.

A. Permitted Uses. Within resort commercial districts, the following uses shall be permitted:

1. Principal uses:

a. Amusement and recreational activities;

b. Catering establishments;

c. Eating and drinking establishments;

d. Fitness centers;

e. Historic buildings, structures and sites, and sites or areas of scenic interest;

f. Information centers;

g. Museums;

h. News and magazine stands;

i. Outdoor recreation and outdoor recreational facilities;

j. Parking lots;

k. Riding stables and riding academies, trails, rodeo corrals and arenas, and equestrian activities and facilities;

l. Sculptures;

m. Taxicab, car rental, and U-drive stations and offices;

n. Tennis and other playing courts;

o. Other uses of similar character providing foods, services or facilities primarily to guests and transient visitors; provided the Director of Planning may approve such uses as conforming to the intent of this article, subject to terms and conditions as may be warranted and required by the Director of Planning.

2. Accessory uses and structures.

a. Energy systems, small-scale, provided there will be no detrimental or nuisance effect upon neighbors;

b. Other uses that are determined by the Director of Planning to be clearly incidental and customary to a permitted use.

B. Special uses. Any other business, service, or commercial establishments that is of similar character in rendering sales or performing services to guests, visitors, and residents of the area; provided approval of the Lanai Planning Commission is obtained and the use conforms to the intent of this district.

C. Development standards for resort commercial districts shall be:

1. Minimum lot area, six thousand square feet;

2. Minimum lot width, sixty feet;

3. Maximum height, thirty-five feet, except that vent pipes, fans, chimneys, antennae, and equipment used for small-scale energy systems on roofs shall not exceed forty-five feet;

4. Minimum building setback:

a. Front yard, fifteen feet,

b. Side and rear yard, zero to ten feet. The ten foot setback applies if a property abuts a district zoned R-1, R-2, R-3, or R-0 Residential; A-1 or A-2 Apartment; two family (duplex); or H-1, H-2, H-M Hotel; or any area zoned residential, apartment, or hotel in any project district.

5. Maximum height, two stories not to exceed thirty feet.

(Ord. 1580 § 1 (part), 1986)

19.71.080 Land use categories and acreages.

A. The following are established as maximum acreages for various land use categories within the Koele project district:

Residential	48.8 acres
Multifamily	18.7 acres
Hotel	45.4 acres
Open space	80.8 acres
Park	234.9 acres
Golf course	78.0 acres
Resort commercial	75.4 acres

(Ord. 2139 § 7, 1992: Ord. 1580 § 1 (part), 1986)

19.71.090 General standards of development.

Any tract of land for which development is sought in the project district for Koele shall be subject to the following standards:

A. Steep Slopes.

1. "Steep slopes" are defined as lands where the inclination of the surface from the horizontal is twelve percent or greater prior to any grading.

2. A tract master plan shall be provided showing the building envelope, required setbacks, and preliminary drainage plan for each lot within the given tract and shall be reviewed and approved by the planning department during phase III project district review. The planning department may impose mitigative measures to ensure minimum subsidence and erosion on slopes exceeding thirty percent and on portions of the tract which are immediately adjacent to ravines. The tract master plan may include all or any part of the given tract, however phase III approval shall only apply to that part. Prior to the issuance of a building permit for a dwelling on a lot, the grading and erosion control plan for that lot shall be submitted to and approved by the department of public works and waste management, which shall review the final grading plan in accordance with the following criteria:

   a. Individual lot drainage shall conform with the approved phase III preliminary drainage plan;

   b. Erosion control measures to prevent erosion and sedimentation into the adjoining natural drainageway during construction of the home and exterior improvements shall be specified:

   c. A plan shall be submitted for revegetation of all disturbed and exposed slopes. This plan shall show how exposed surfaces will be planted and covered after construction to prevent erosion and sedimentation into the adjoining drainageway; and

   d. The planning department may require additional information if deemed necessary to support any request for phase III approval.

B. Ravines and Ravine Buffers.

1. At least ninety-five percent of all ravines shall remain in permanent open space. At least eighty percent of all ravine buffers shall remain in permanent open space.

2. "Ravines" are defined as valleys with sharply sloping walls created by action of intermittent stream waters. Ravine buffer areas are to be shown on the tract master plan and shall be at least equal to ten percent of the mean depth of the lot measured from the top of the ravine wall.

C. Wetlands. Areas such as swamps, marshes, bogs or other similar lands shall remain as permanent undisturbed open space.

D. Woodlands.

1. No more than sixty percent of existing woodland area shall be cleared. The remaining forty percent shall be maintained as permanent open space which may be enhanced by landscape planting as approved by the planning department.

2. "Woodlands" are defined as areas, including one or more lots, covering one contiguous acre or more, and consisting of thirty-five percent or more canopy tree coverage, where (a) trees have a caliper of at least sixteen inches; or (b) any grove of ten trees or more have calipers of at least ten inches. For the purposes of this section, a "grove" is defined as a stand of trees lacking natural underbrush or undergrowth.

E. Other Resources. Areas of important natural, historical, archaeological, or cultural resources or unique physical features, not otherwise mentioned in this section, shall be identified, and provisions shall be outlined to preserve or improve said resource or feature.

F. Design.

1. At least twenty percent of the lot area of each development shall be in protected open space. This includes areas defined in this section but does not include roadways, streets, and parking lots.

2. Each building and structure shall be designed by a licensed architect to conform with the intent of the project district.

G. Recreational, Community, and Open Space Facilities.

1. Recreational and community facilities shall be provided.

2. Provision shall be made for continuing management of all recreational, community, and open space facilities to insure proper maintenance and policing. Documents to said effect shall be required.

H. Infrastructure. The development shall not burden governmental agencies to provide substantial infrastructural improvements.

I. Landscape Planting.

1. Comprehensive landscaping of the entire development shall be provided, including along streets, within lots, and in open spaces.

2. Landscape planting is to be considered as an integral element to be utilized for visual screening, shade, definition, and environmental control. Furthermore, the use of recycled water is to be considered for irrigation purposes.

J. Signage. A comprehensive signage program shall be designed for the total development area and defined to at least include sizes, format, conceptual design, color schemes, and landscaping.

K. Lighting. Lighting shall be established in a manner so as to not adversely impact the surrounding areas.

(Ord. 2407 § 1, 1995: Ord. 2139 § 8, 1992: Ord. 1580 § 1 (part), 1986)

EXHIBIT 4.

Letter Dated March 29, 2022 from the Department of Transportation, Highways Division

MUNEKIYO HIRAGA

Karlynn K. Fukuda
PRESIDENT
Mark Alexander Roy AICP LEED AP
VICE PRESIDENT
Tessa Munekiyo Ng AICP
VICE PRESIDENT
Michael T. Munekiyo AICP
SENIOR ADVISOR

April 1, 2022

Edwin Sniffen, Deputy Director
Highways Division
State of Hawai'i
Department of Transportation
869 Punchbowl Street
Honolulu, Hawai'i 96813

SUBJECT: Response to Comments on Kō'ele Project District Amendment; Kō'ele, Lāna'i, Hawai'i (HWY-PS 2.7547) (CPA 2021/0001, CIZ 2021/0001, PH1 2021/0001, and EA 2021/0002) (HWY-PS 2.7547)

Dear Mr. Sniffen:

Thank you for your letter dated March 29, 2022 providing input on the proposed Kō'ele Project District Amendment. On behalf of the Applicant, Lanai Resorts, LLC, a Hawai'i limited liability company doing business as Pūlama Lāna'i, we offer the following information in response to your comments.

We note that the Department of Transportation, Highways Division (HDOT-HWY) has reviewed the Traffic Impact Analysis Report (TIAR) that was prepared for the proposed project and which was included in the Final Environmental Assessment (EA) for the project. The Final EA was accepted by the Lāna'i Planning Commission with a Finding of No Significant Impact determination in January 2021. We note your comment that Condition No. 9 of Ordinance 2140, which established the Kō'ele Project District, is not required to be implemented based on the TIAR's findings. The full buildout of the proposed amended Kō'ele Project District is 110 units, whereas the trigger for implementation of the condition as approved as part of Ordinance 2140 is 177 units. Furthermore, we note your comment that the TIAR shows that the Level of Service is anticipated to be at B or better and as such, the bypass road requirement of Condition No. 9 of Ordinance 2140 is not relevant.

305 High Street, Suite 104 • Wailuku, Hawaii 96793 • Tel: 808 244 2015 • Fax: 808 244.8729
735 Bishop Street, Suite 412 • Honolulu, Hawaii 96813 • Tel: 808.983.1233

Thank you again for your input. Should you have any questions, or require additional information, please feel free to contact me at (808) 244-2015 or via email at planning@munekiyohiraga.com.

Very truly yours,

Chris Sugidono
Senior Associate

CEJS:lh
cc: Kurt Wollenhaupt, Department of Planning
Keiki-Pua Dancil, Pūlama Lāna'i
Olivia Simpson, Pūlama Lāna'i
Calvert Chipchase, Cades Schutte
Stacey Gray, Cades Schutte
K:\DATA\Pulama Lanai\Koele PD Ph I Amendment 2164\Applications\Draft EA\Draft EA Responses\State DOT 2 Response Ltr.docx

DAVID Y IGE
GOVERNOR

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STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU HAWAII 96813-5097

IN REPLY REFER TO
HWY-PS 2.7547

March 29, 2022

VIA EMAIL: jordan.hart@co.maui.hi.us

Mr. Jordan Hart
Deputy Director
Planning Department
County of Maui
One Main Plaza
2200 Main Street, Suite 315
Wailuku, Hawaii 96793

Dear Mr. Hart:

Subject: Koele Project District PH1 2021/0001; CPA 2021/0001; and CIZ 2021/0001
Ordinance 2140 Condition #9

Thank you for your email request dated March 10, 2022. We understand that Lanai Resorts, LLC, dba Pulama Lanai has submitted applications to obtain a Project District Phase 1 Amendment, Community Plan Amendment, and Change in Zoning for properties located in Lanai Project District 2 (Koele) identified as Maui Tax Map Key Nos. (2) 4-9-001: 021, 024, 025, 027, 030, (2) 4-9-002:001 (por.), 061 (por.), (2) 4-9-018:001, 002, 003, 004, 005, (2) 4-9-020:020, and (2) 4-9-021:009; Koele, Lanai, Hawaii.

On January 19, 2022, the Lanai Planning Commission, the accepting authority, approved the Planning Department's recommendation of a finding of no significant impact for the Final Environmental Assessment (FEA) for the subject applications.

We also understand that the Planning Department has requested our recommendation regarding Ordinance 2140 Condition #9, which passed the final reading at the meeting of the Council of the County of Maui on August 7, 1992. Ordinance 2140 Condition #9 is stated below for convenience:

Ordinance 2140 Condition #9 Declarant shall a) build a by-pass road, similar in concept to the road as shown in the Lanai Community Plan, Exhibit E, adopted April 5, 1983, in conformance with the standards of the County, as approved by the Director of Public Works, and b) dedicate, in fee simple absolute, free and clear of all mortgage and lien encumbrances, the constructed by-pass road to the County, at no cost to the County, within 2 years of the date that an occupancy

rate of 50% of the total number of single family and multifamily units specified in the Koele Project District is reached, provided; however, that this condition may be eliminated by the County Council if a traffic engineer provides a report showing that the roadway system then existing (within 2 years of reaching 50% occupancy) in and around Lanai City is not determined to be operationally substandard under the level of rating criteria of the American Association of State Highway and Transportation Officials.

Our department has reviewed the traffic impact analysis report included in the approved FEA and concluded that Ordinance 2140 Condition #9 is not required to be implemented in the subject applications. The proposed applications at full buildout is 110 units, below the 50% trigger (177 units) approved in 1992. Furthermore, the traffic studies show the Level of Service (LOS) is expected to remain good at LOS B or better. A by-pass road requirement is not relevant for the proposed applications.

If you have any questions, please contact Jeyan Thirugnanam, Systems Planning Engineer, Highways Division, Planning Branch at (808) 587-6336 or by email at jeyan.thirugnanam@hawaii.gov. Please reference file review number PS 2022-056.

Sincerely,

EDWIN H. SNIFFEN
Deputy Director, Highways Division

EXHIBIT 5.

Letter Dated March 7, 2022 from the Department of Environmental Management, Wastewater Reclamation Division

AGENCY TRANSMITTAL RESPONSE e-FORM

FOR DEPARTMENT OF PLANNING, COUNTY OF MAUI

3/4/2022

AGENCY NAME	**Department of Environmental Mgmt.**	**PHONE**	**270-8230**
PROJECT:	**Koele Project District Amendment and Draft Environmental Assessment**		
APPLICANT:	**Lanai Resorts, LLC, DBA Pulama Lanai**		
PROJECT ADDRESS:	**Koele Project District, Lanai City, Lanai, Hawaii**		
PROJECT DESCRIPTION:	**Modification to Lanai Project District 2 (Koele).**		
TMKs:	**(2) 4-9-001:021, (2) 4-9-001:024, (2) 4-9-001:025 (POR), (2) 4-9-001:027, (2) 4-9-001:030, (2) 4-9-002:001 (POR), (2) 4-9-002:061, (2) 4-9-018:001, (2) 4-9-018:002 (POR), (2) 4-9-018:003 (POR), (2) 4-9-018:004, (2) 4-9-018:005, (2) 4-9-020:020 CPOR), (2) 4-9-021:009**		
PERMIT NO.'s:	**CPA 2021/0001, CIZ 2021/0001, PHI 2021/0001, and EA 2021/0002**		

☒ **COMMENTS/RECOMMENDATIONS** ☐ **NO COMMENTS**

WASTEWATER RECLAMATION DIVISION COMMENTS:

1) Changes discussed in the associated documents have no immediate effect on the Lanai Wastewater Treatment Facility or associated collection system.

2) Determination of existing capacity for future projects will be assessed at time of project/planning reviews and/or building permits.

☐ **COMMENTS/RECOMMENDATIONS** ☒ **NO COMMENTS**

SOLID WASTE DIVISION COMMENTS

Signed:	Shayne R Agawa	03/07/22
Print Name:	**Shayne R. Agawa, Deputy Director**	**Date**

MUNEKIYO HIRAGA

Karlynn K. Fukuda
PRESIDENT
Mark Alexandor Roy AICP LEED AP
VICE PRESIDENT
Tessa Munekiyo Ng AICP
VICE PRESIDENT
Michael T. Munekiyo AICP
SENIOR ADVISOR

April 1, 2022

Shayne Agawa, Deputy Director
County of Maui
Department of Environmental Management
200 South High Street
Wailuku, Hawai'i 96793

SUBJECT: Response to Comments on Kō'ele Project District Amendment; Kō'ele, Lāna'i, Hawai'i (CPA 2021/0001, CIZ 2021/0001, PH1 2021/0001, and EA 2021/0002)

Dear Mr. Agawa:

Thank you for your letter dated March 7, 2022 providing input on the proposed Kō'ele Project District Amendment. On behalf of the Applicant, Lanai Resorts, LLC, a Hawai'i limited liability company doing business as Pūlama Lāna'i, we note the Department of Environmental Management's (DEM) statement that the proposed action will have no immediate effect on the Lāna'i Wastewater Treatment Facility or associated collection system. Furthermore, we understand that determination of existing capacity for future projects within the Kō'ele Project District will be assessed at time of land use entitlement application review and/or Building Permit application review.

Thank you again for your input. Should you have any questions, or require additional information, please feel free to contact me at (808) 244-2015 or via email at planning@munekiyohiraga.com.

Very truly yours,

Chris Sugidono
Senior Associate

CJES:lh
cc: Kurt Wollenhaupt, Department of Planning
Keiki-Pua Dancil, Pūlama Lāna'i
Olivia Simpson, Pūlama Lāna'i
Calvert Chipchase, Cades Schutte
Stacey Gray, Cades Schutte
K:\DATA\Pulama Lanai\Koele PD Ph I Amendment 2164\Applications\Draft EA\Draft EA Responses\DEM WW Response Ltr.docx

Maui: 305 High Street, Suite 104 • Wailuku, Hawaii 96793 • Tel: 808.244.2015 • Fax: 808.244.8729
Oahu: 735 Bishop Street, Suite 412 • Honolulu, Hawaii 96813 • Tel: 808.983.1233
www.munekiyohiraga.com

EXHIBIT 6.

Letter Dated March 8, 2022 from the Department of Public Works

MUNEKIYO HIRAGA
Planning. Project Management. Sustainable Solutions.

Karlynn K. Fukuda
PRESIDENT
Mark Alexander Roy AICP, LEED AP
VICE PRESIDENT
Tessa Munekiyo Ng AICP
VICE PRESIDENT
Michael T. Munekiyo AICP
SENIOR ADVISOR

April 29, 2022

Jordan Molina, Director
County of Maui
Department of Public Works
200 South High Street, Room 434
Honolulu, Hawai'i 96793

SUBJECT: Response to Comments on Kō'ele Project District Amendment and Draft Environmental Assessment; Various Parcels of TMK: (2) 4-9-001, 002, 018, 020, and 021

Dear Mr. Molina:

Thank you for your letter dated March 8, 2022 providing input on the proposed Kō'ele Project District Amendment. On behalf of the Applicant, Lanai Resorts, LLC, a Hawai'i limited liability company doing business as Pūlama Lāna'i, we offer the following information in response to your comments.

The Applicant appreciates the comments provided by the Department of Public Works (DPW) Engineering Division regarding future developments within the project district. The applicant will comply with all State and County regulations relating to drainage improvements, including Title MC-15, Chapter 4, "Rules for the Design of Storm Drainage Facilities in the County of Maui"; Title MC-15, Chapter 111, "Rules for the Design of Storm Water Treatment Best Management Practices"; and Title 20, Chapter 20.08, "Soil Erosion and Sedimentation Control", as applicable, at the time development actions are proposed.

Thank you again for your input. Should you have any questions, or require additional information, please feel free to contact me at (808) 244-2015 or via email at planning@munekiyohiraga.com.

Very truly yours,

Chris Sugidono
Senior Associate

CEJS:lh
cc: Kurt Wollenhaupt, Department of Planning
Keiki-Pua Dancil, Pūlama Lānaʻi
Olivia Simpson, Pūlama Lānaʻi
Calvert Chipchase, Cades Schutte
Stacey Gray, Cades Schutte
K:\DATA\Pulama Lanai\Koele PD Ph I Amendment 2164\Applications\Draft EA\Draft EA Responses\DPW Response Ltr.docx

MICHAEL P. VICTORINO
Mayor

JORDAN MOLINA
Director

GARY L. I. AMBROSE
Deputy Director

WADE SHIMABUKURO, P.E.
Development Services Administration

RODRIGO "CHICO" RABARA, P.E.
Engineering Division

JOHN R. SMITH, P.E.
Highways Division

Telephone: (808) 270-7845
Fax: (808) 270-7955

COUNTY OF MAUI
DEPARTMENT OF PUBLIC WORKS
200 SOUTH HIGH STREET, ROOM 434
WAILUKU, MAUI, HAWAII 96793

March 8, 2022

MEMO TO: MICHELE MCLEAN, PLANNING DIRECTOR

FROM: JORDAN MOLINA, DIRECTOR OF PUBLIC WORKS

SUBJECT: **KOELE PROJECT DISTRICT AMENDMENT AND DRAFT ENVIRONMENTAL ASSESSMENT; VARIOUS PARCELS OF TMK: (2) 4-9-001,002,018,020,021**

We reviewed the subject application and have the following comments:

Comments from Engineering Division:

1. Upon future developments within the project district, drainage improvements shall comply with the following:

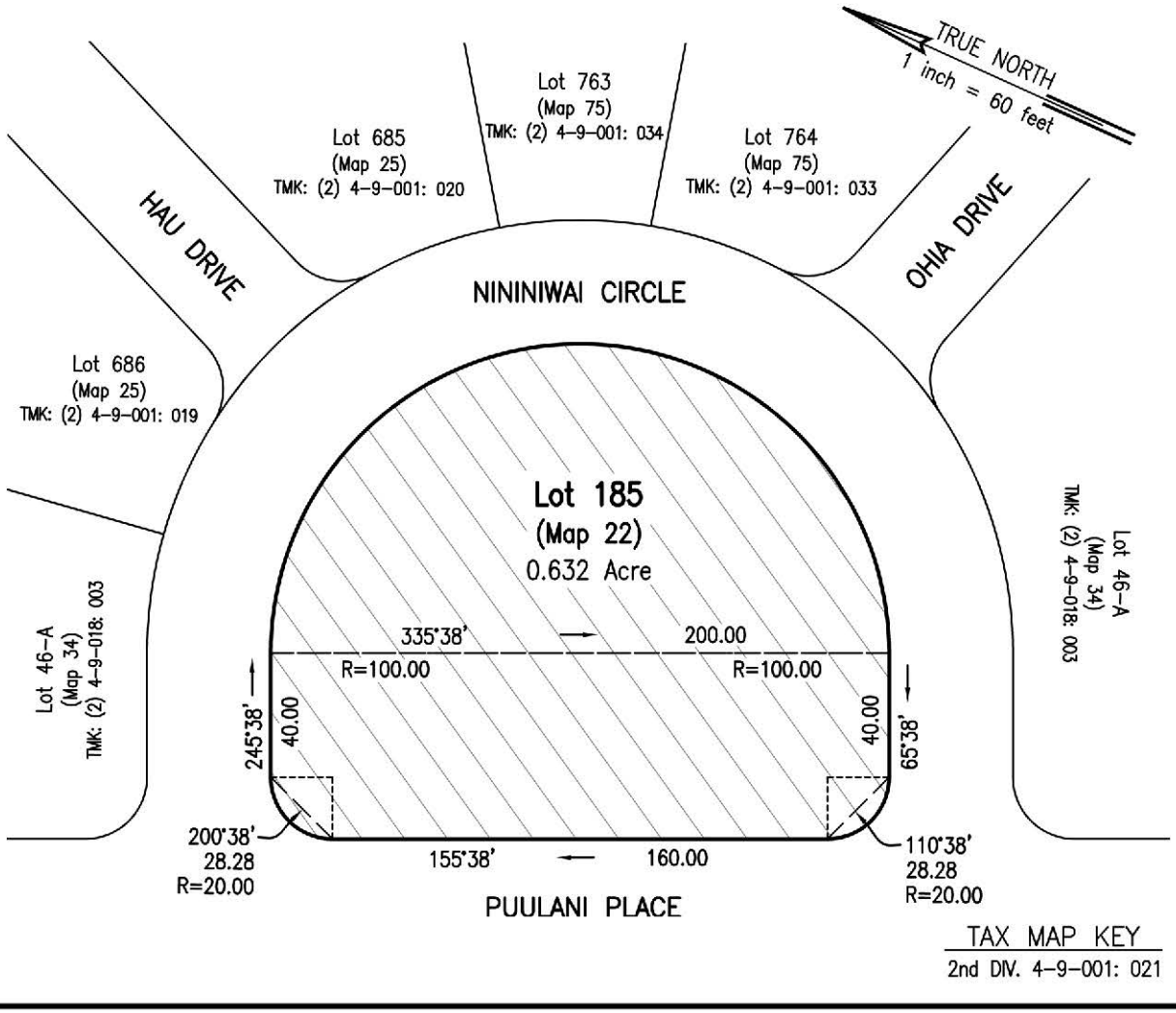
   - Title MC-15, Chapter 4, "Rules for the Design of Storm Drainage Facilities in the County of Maui";
   - Title MC-15, Chapter 111, "Rules for the Design of Storm Water Treatment Best Management Practices"; and
   - Title 20, Chapter 20.08, "Soil Erosion and Sedimentation Control".

If you have any questions regarding this memorandum, please call Jordan Molina at (808) 270-7845.

JM:GLIA:da
xc: Highways Division
Engineering Division
S:\DSA\Engr\CZM\Draft Comments\49001,002,018,020,021_koele_proj_district_amend_&_dea.rtf

EXHIBIT 7.

Lānaʻi Community Plan Proposed Maps by Tax Map Key



COMMUNITY PLAN MAP NO. CP-

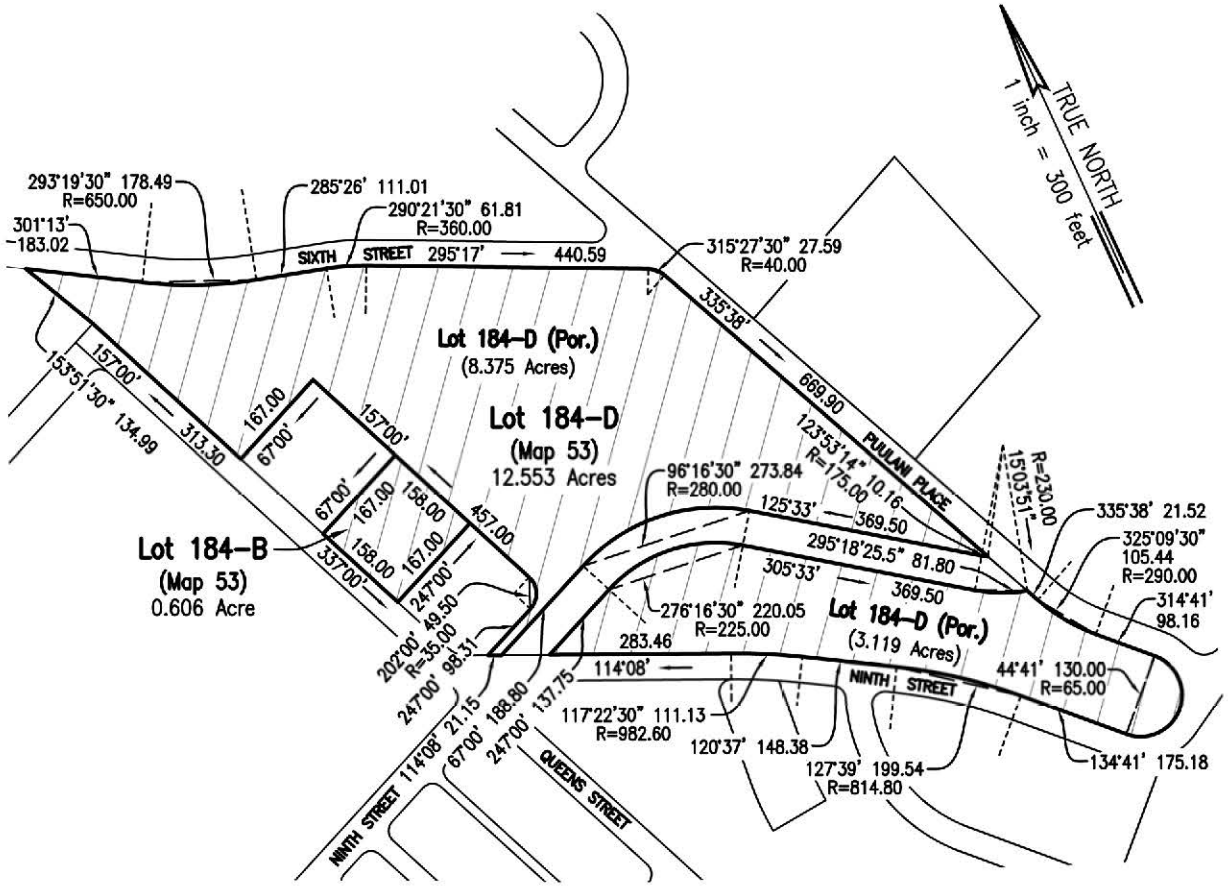
COMMUNITY PLAN AMENDMENT - LANAI CITY, LANAI, HAWAII
FROM PROJECT DISTRICT TO SINGLE-FAMILY RESIDENTIAL

APPROVED: _____ COUNTY CLERK DATE	PUBLIC HEARING: ADOPTED-COUNCIL: ADOPTED-MAYOR: ORDINANCE
APPROVED: _____ PLANNING DIRECTOR DATE	DATE: / SCALE: 1"=60'

OFFICE OF THE COUNTY CLERK

200 S High Street, Wailuku Maui, Hawaii 96793

CP-



TAX MAP KEY

2nd DIV. 4-9-001: 030 AND POR. 024

COMMUNITY PLAN MAP NO. CP-

COMMUNITY PLAN AMENDMENT - LANAI CITY, LANAI, HAWAII
FROM PROJECT DISTRICT TO SINGLE-FAMILY RESIDENTIAL

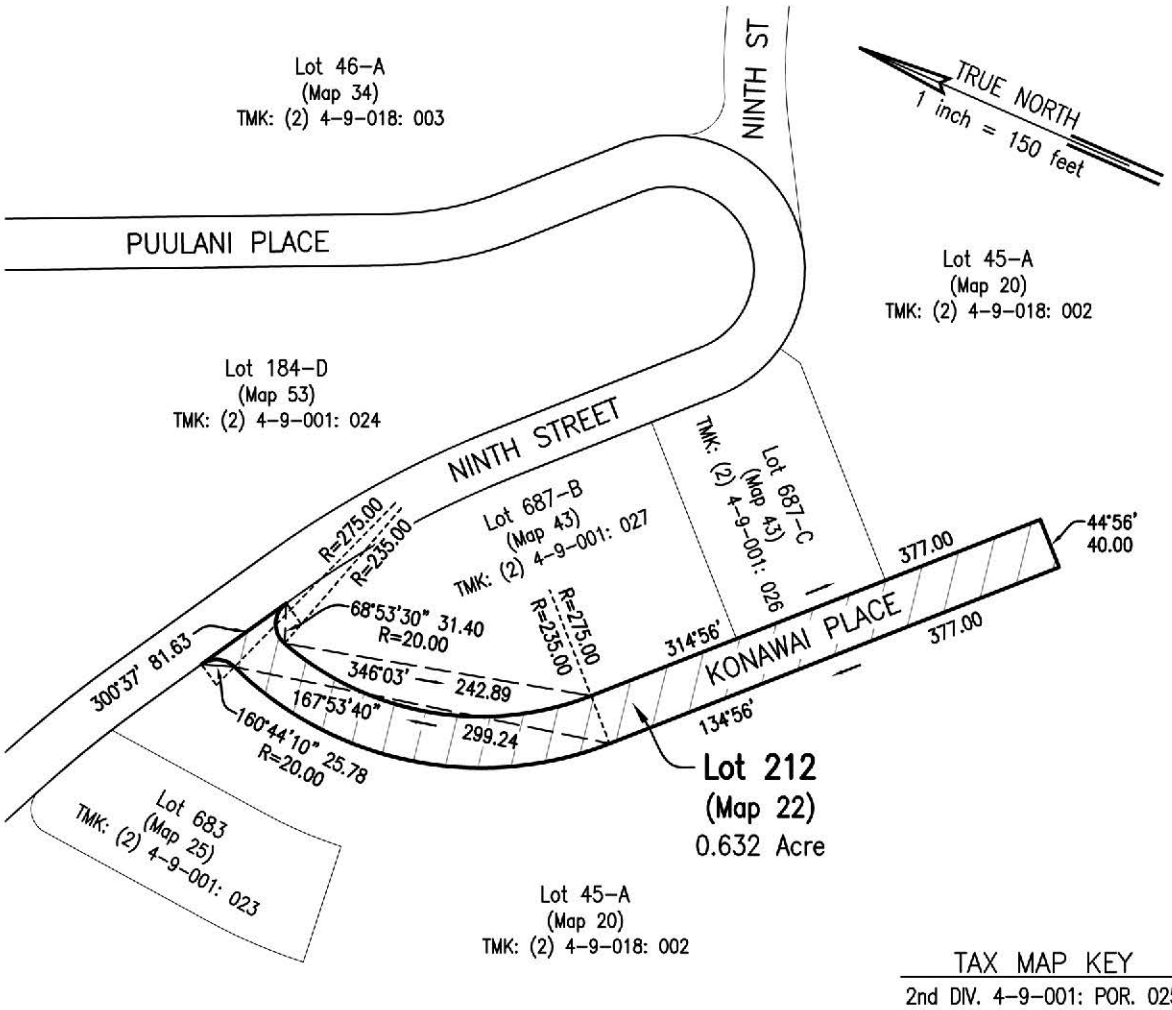
APPROVED: _____ COUNTY CLERK DATE	PUBLIC HEARING: ADOPTED-COUNCIL: ADOPTED-MAYOR: ORDINANCE
APPROVED: _____ PLANNING DIRECTOR DATE	DATE: / SCALE: 1"=300'

OFFICE OF THE COUNTY CLERK

200 S High Street, Wailuku Maui, Hawaii 96793

CP-

AP_03_CP



COMMUNITY PLAN MAP NO. CP-

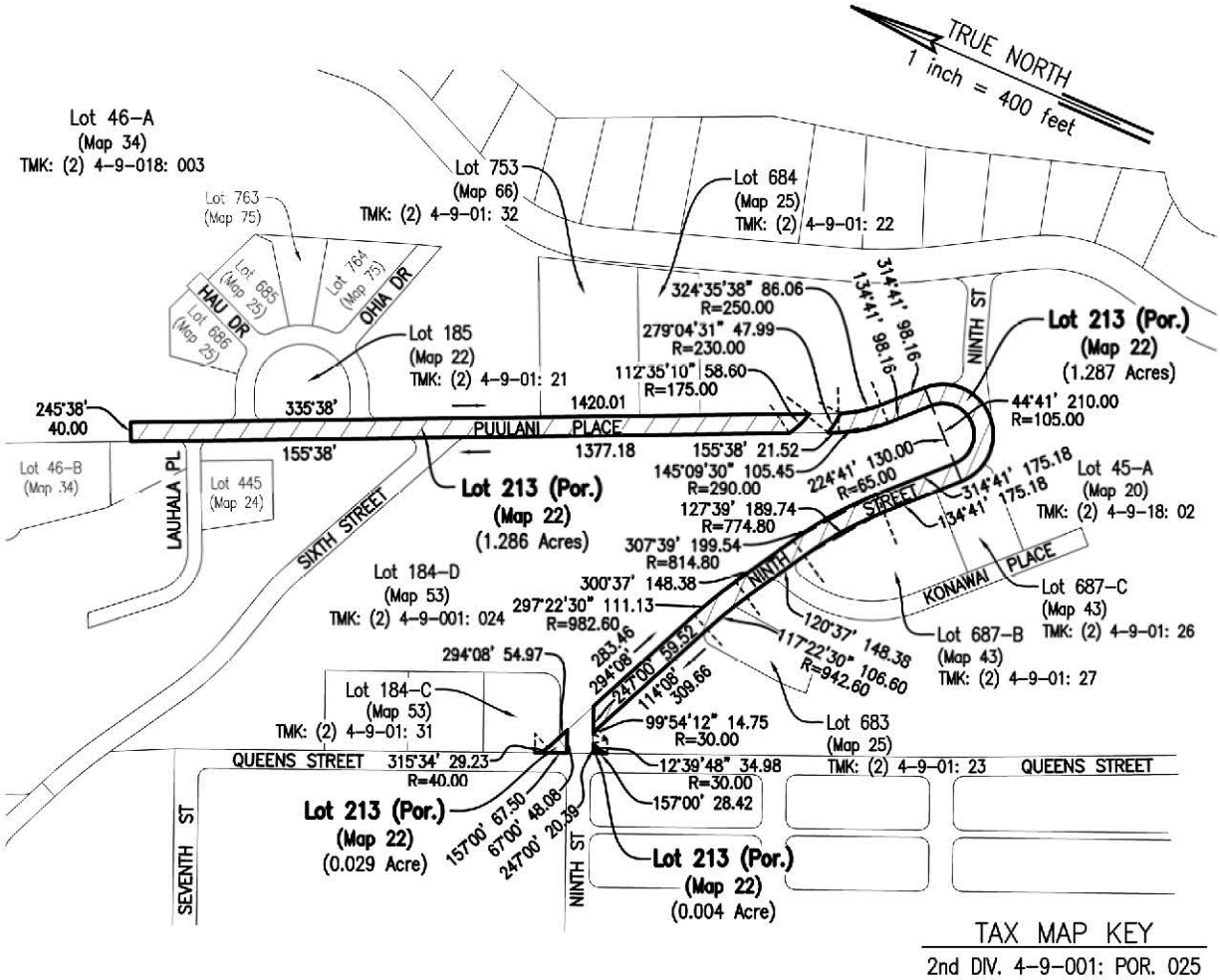
COMMUNITY PLAN AMENDMENT - LANAI CITY, LANAI, HAWAII
FROM PROJECT DISTRICT TO SINGLE-FAMILY RESIDENTIAL

APPROVED: _____ COUNTY CLERK DATE	PUBLIC HEARING: ADOPTED-COUNCIL: ADOPTED-MAYOR: ORDINANCE
APPROVED: _____ PLANNING DIRECTOR DATE	DATE: / SCALE: 1"=150'

OFFICE OF THE COUNTY CLERK
200 S High Street, Wailuku Maui, Hawaii 96793

CP-

AP_04_CP



COMMUNITY PLAN MAP NO. CP-

COMMUNITY PLAN AMENDMENT - LANAI CITY, LANAI, HAWAII
FROM PROJECT DISTRICT TO SINGLE-FAMILY RESIDENTIAL

APPROVED: _____
COUNTY CLERK DATE

APPROVED: _____
PLANNING DIRECTOR DATE

PUBLIC HEARING:
ADOPTED-COUNCIL:
ADOPTED-MAYOR:
ORDINANCE

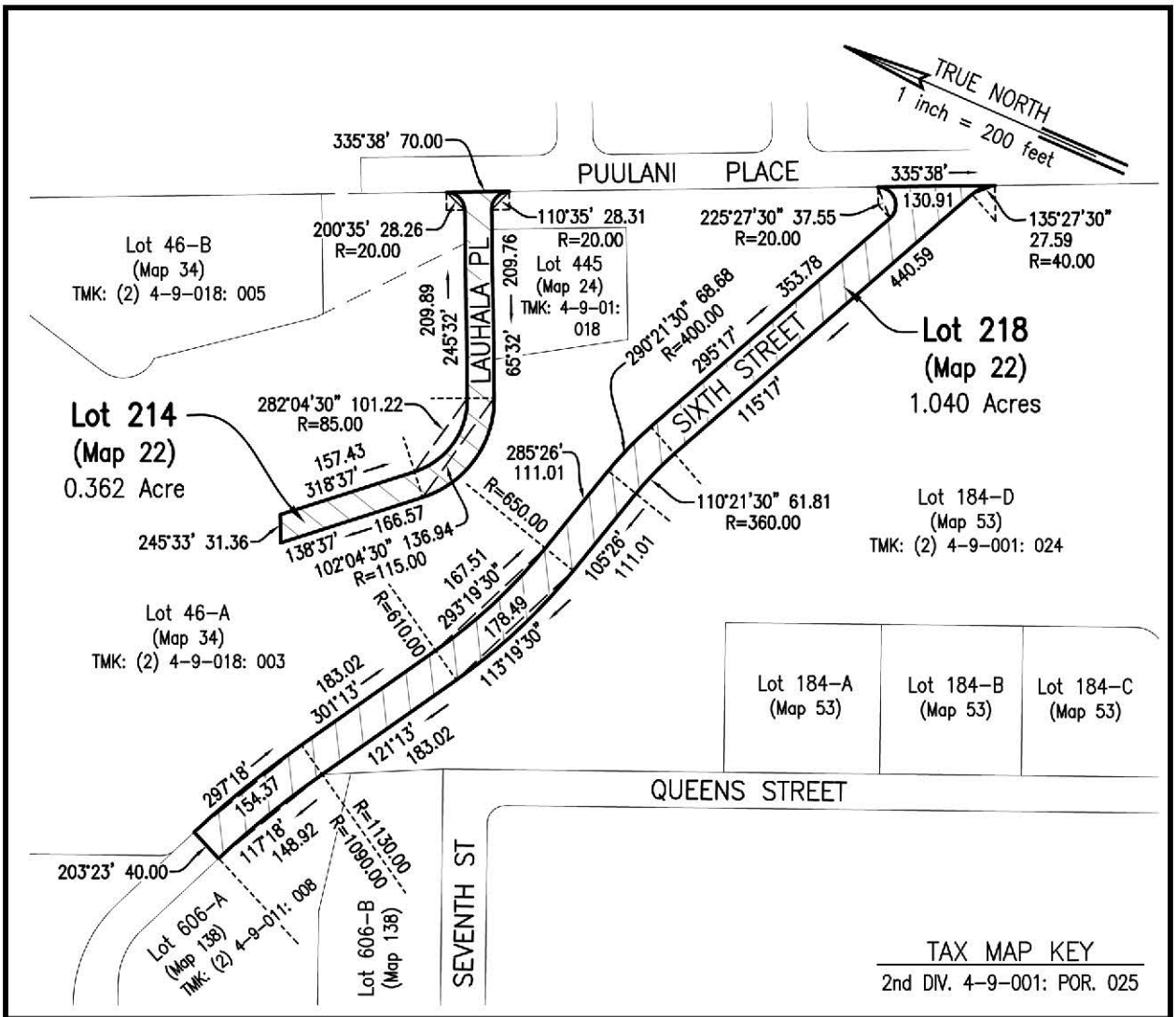
DATE:

SCALE: 1"=400'

OFFICE OF THE COUNTY CLERK

200 S High Street, Wailuku Maui, Hawaii 96793

CP-



COMMUNITY PLAN MAP NO. CP-

COMMUNITY PLAN AMENDMENT - LANAI CITY, LANAI, HAWAII
FROM PROJECT DISTRICT TO SINGLE-FAMILY RESIDENTIAL

APPROVED: _____
COUNTY CLERK DATE

APPROVED: _____
PLANNING DIRECTOR DATE

PUBLIC HEARING:
ADOPTED-COUNCIL:
ADOPTED-MAYOR:
ORDINANCE

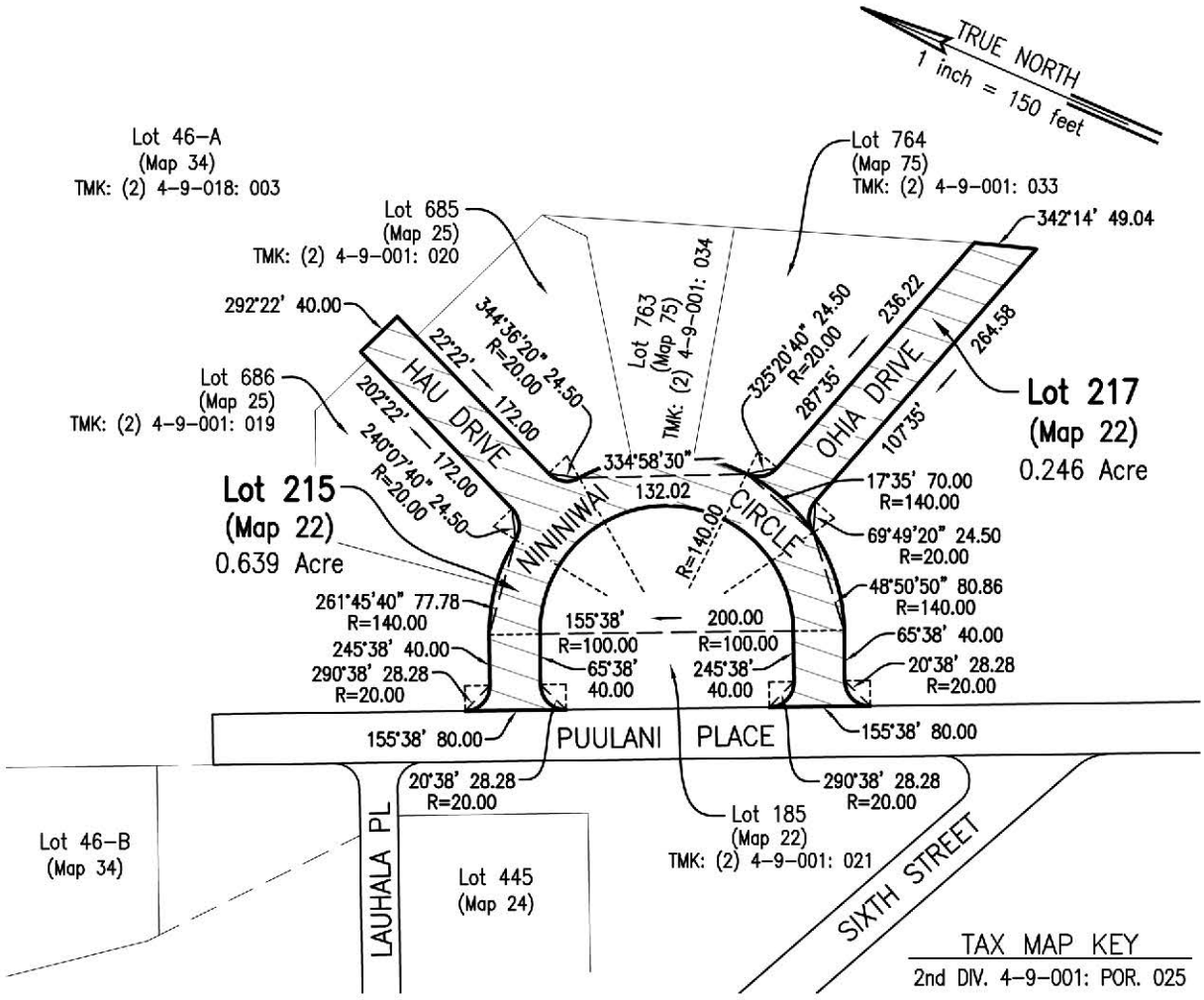
DATE:

SCALE: 1"=200'

OFFICE OF THE COUNTY CLERK

200 S High Street, Wailuku Maui, Hawaii 96793

CP-



COMMUNITY PLAN MAP NO. CP-

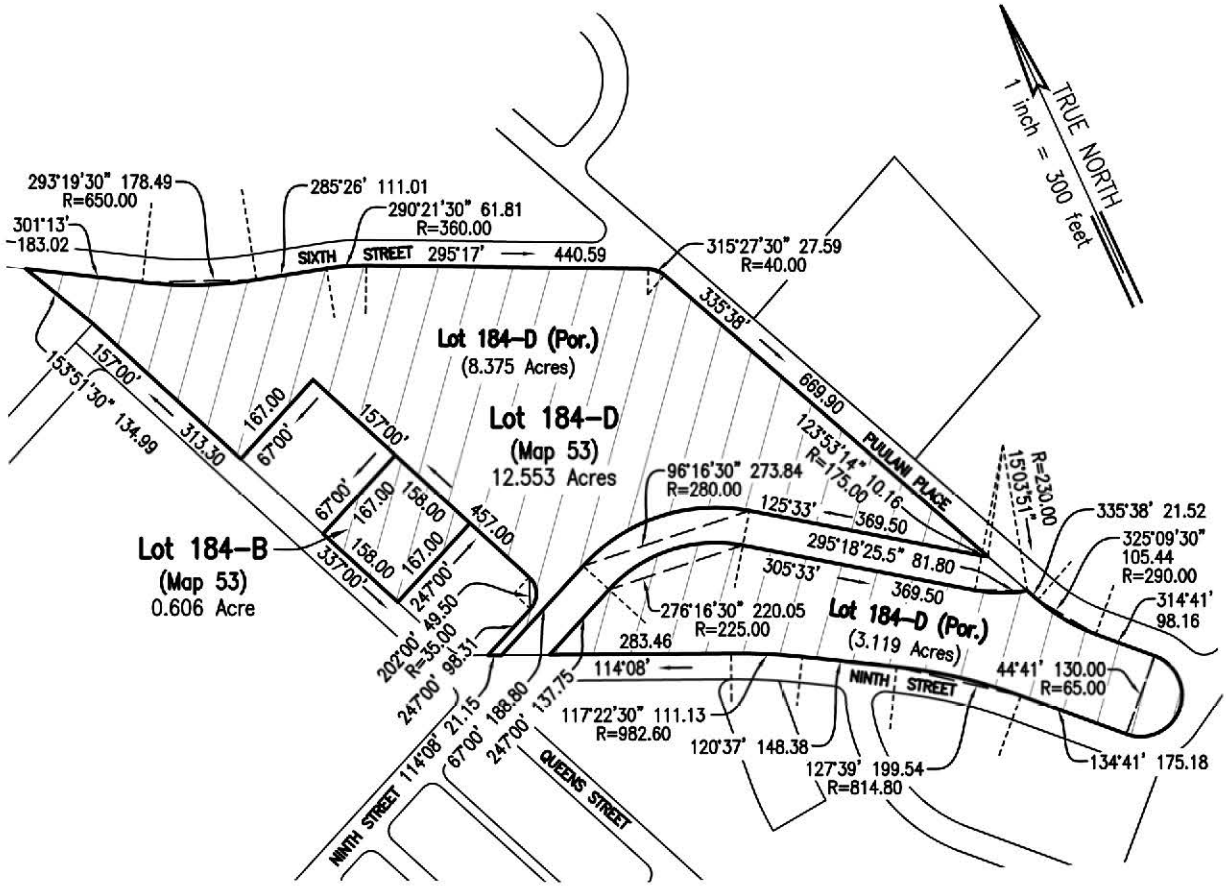
COMMUNITY PLAN AMENDMENT - LANAI CITY, LANAI, HAWAII
FROM PROJECT DISTRICT TO SINGLE-FAMILY RESIDENTIAL

APPROVED: _____ COUNTY CLERK DATE	PUBLIC HEARING: ADOPTED-COUNCIL: ADOPTED-MAYOR: ORDINANCE
APPROVED: _____ PLANNING DIRECTOR DATE	DATE: / SCALE: 1"=150'

OFFICE OF THE COUNTY CLERK

200 S High Street, Wailuku Maui, Hawaii 96793

CP-



TAX MAP KEY

2nd DIV. 4-9-001: 030 AND POR. 024

COMMUNITY PLAN MAP NO. CP-

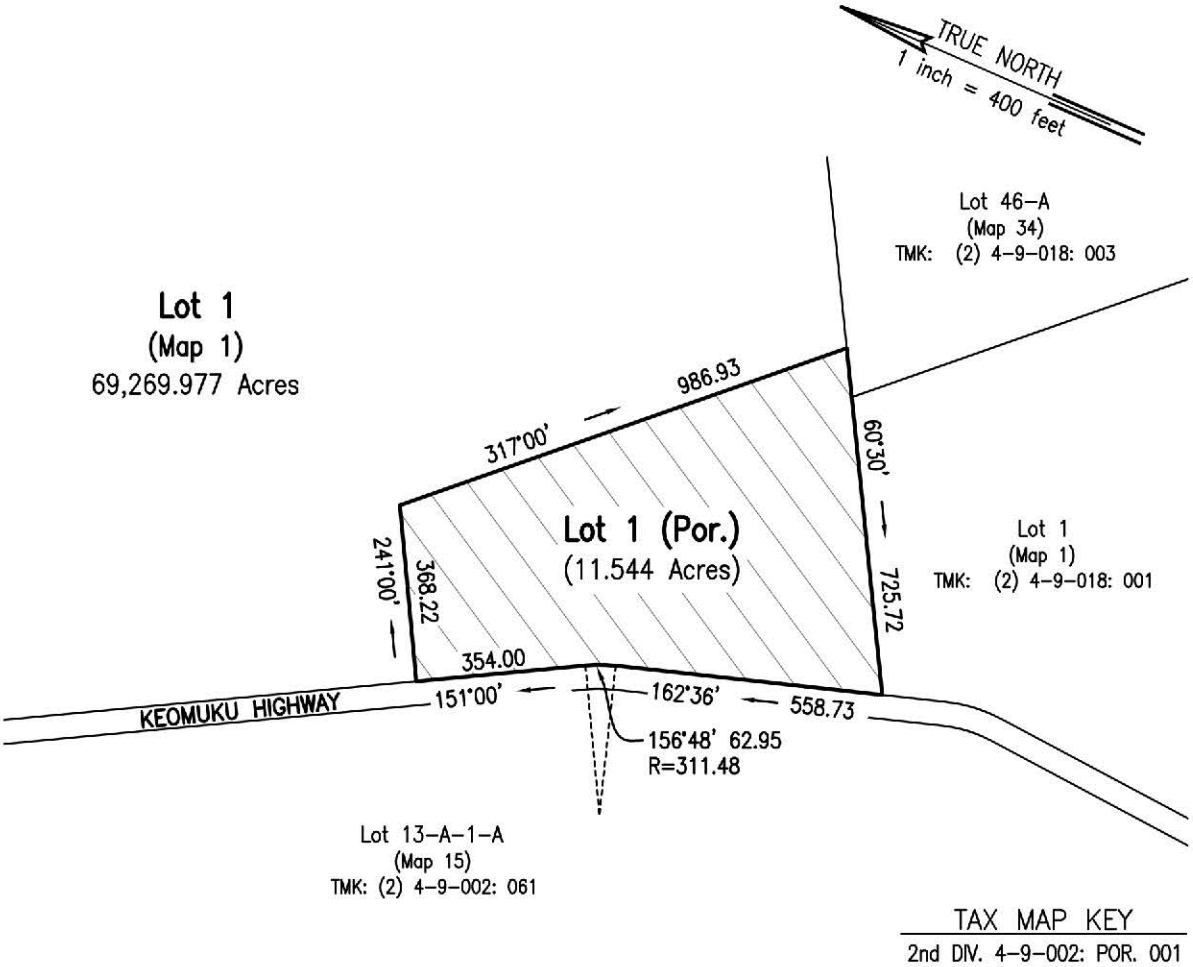
COMMUNITY PLAN AMENDMENT - LANAI CITY, LANAI, HAWAII
FROM PROJECT DISTRICT TO SINGLE-FAMILY RESIDENTIAL

APPROVED: _____ COUNTY CLERK DATE	PUBLIC HEARING: ADOPTED-COUNCIL: ADOPTED-MAYOR: ORDINANCE
APPROVED: _____ PLANNING DIRECTOR DATE	DATE: / SCALE: 1"=300'

OFFICE OF THE COUNTY CLERK

200 S High Street, Wailuku Maui, Hawaii 96793

CP-



COMMUNITY PLAN MAP NO. CP-

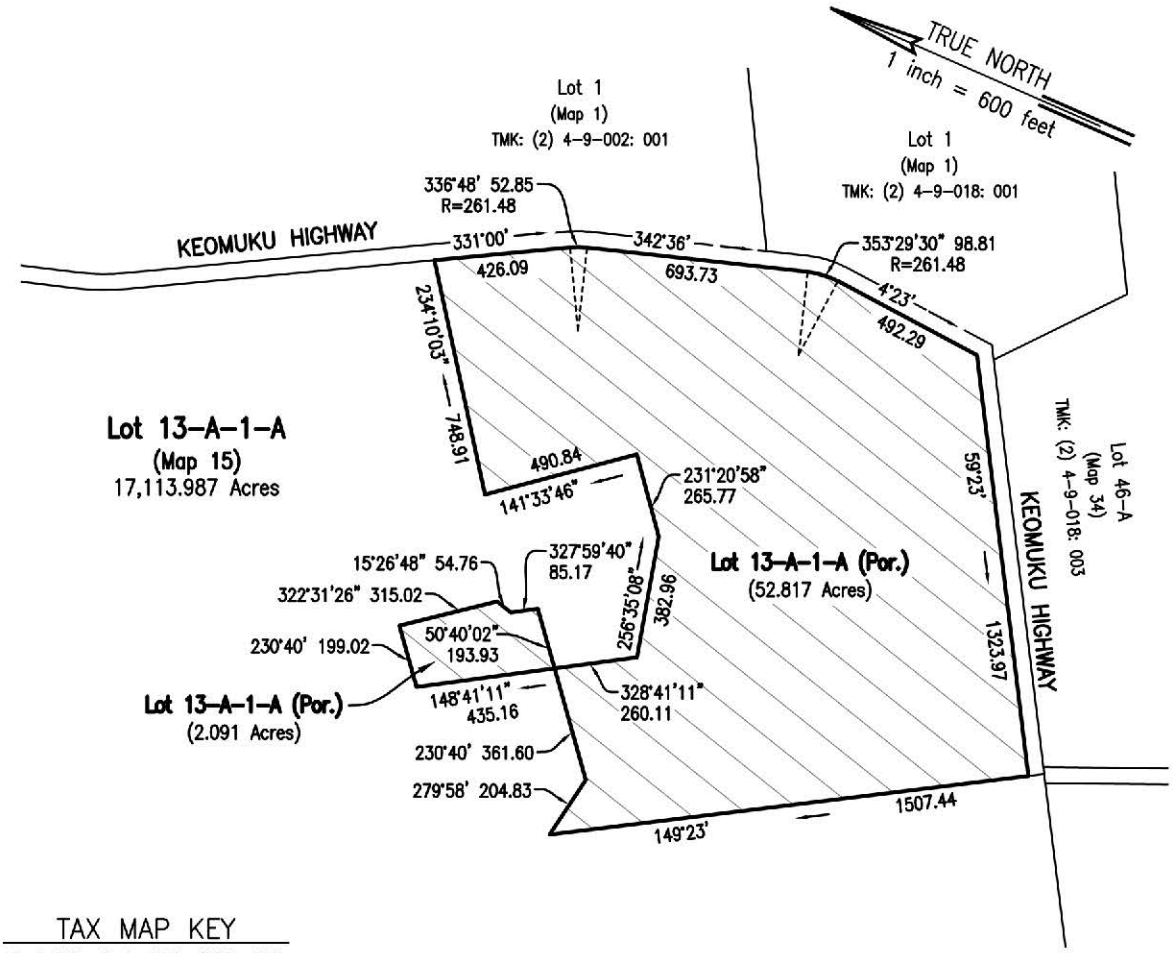
COMMUNITY PLAN AMENDMENT - LANAI CITY, LANAI, HAWAII
FROM OPEN SPACE TO PROJECT DISTRICT

APPROVED: _____ COUNTY CLERK DATE	PUBLIC HEARING: ADOPTED-COUNCIL: ADOPTED-MAYOR: ORDINANCE
APPROVED: _____ PLANNING DIRECTOR DATE	DATE: / SCALE: 1"=400'

OFFICE OF THE COUNTY CLERK
200 S High Street, Wailuku Maui, Hawaii 96793

CP-

AP 09 CP



TAX MAP KEY
2nd DIV. 4-9-002: POR. 061

COMMUNITY PLAN MAP NO. CP-

COMMUNITY PLAN AMENDMENT - LANAI CITY, LANAI, HAWAII
FROM AGRICULTURE DISTRICT TO PROJECT DISTRICT

APPROVED: _____
COUNTY CLERK DATE

APPROVED: _____
PLANNING DIRECTOR DATE

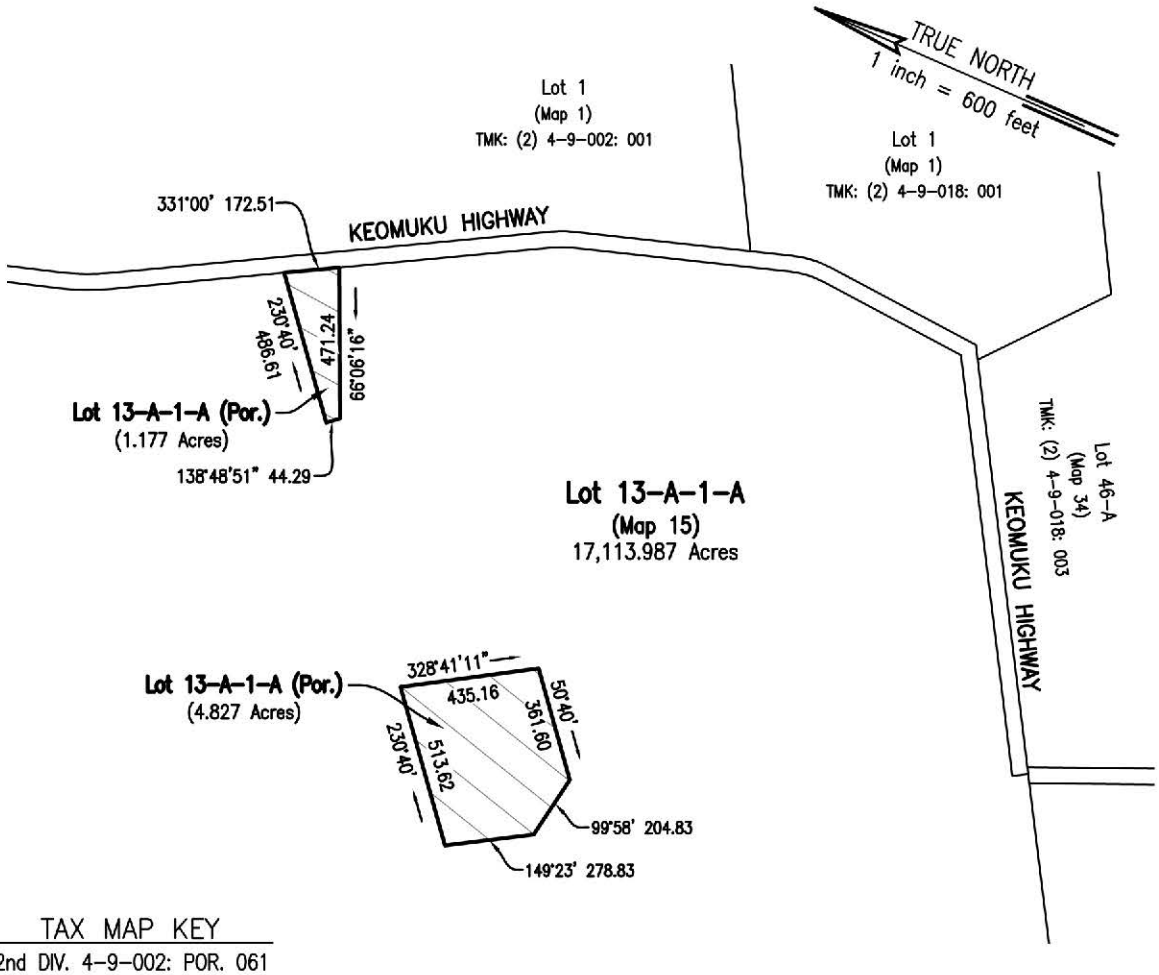
PUBLIC HEARING:
ADOPTED-COUNCIL:
ADOPTED-MAYOR:
ORDINANCE

DATE:

SCALE: 1"=600'

OFFICE OF THE COUNTY CLERK
200 S High Street, Wailuku Maui, Hawaii 96793

CP-



TAX MAP KEY
2nd DIV. 4-9-002: POR. 061

COMMUNITY PLAN MAP NO. CP-

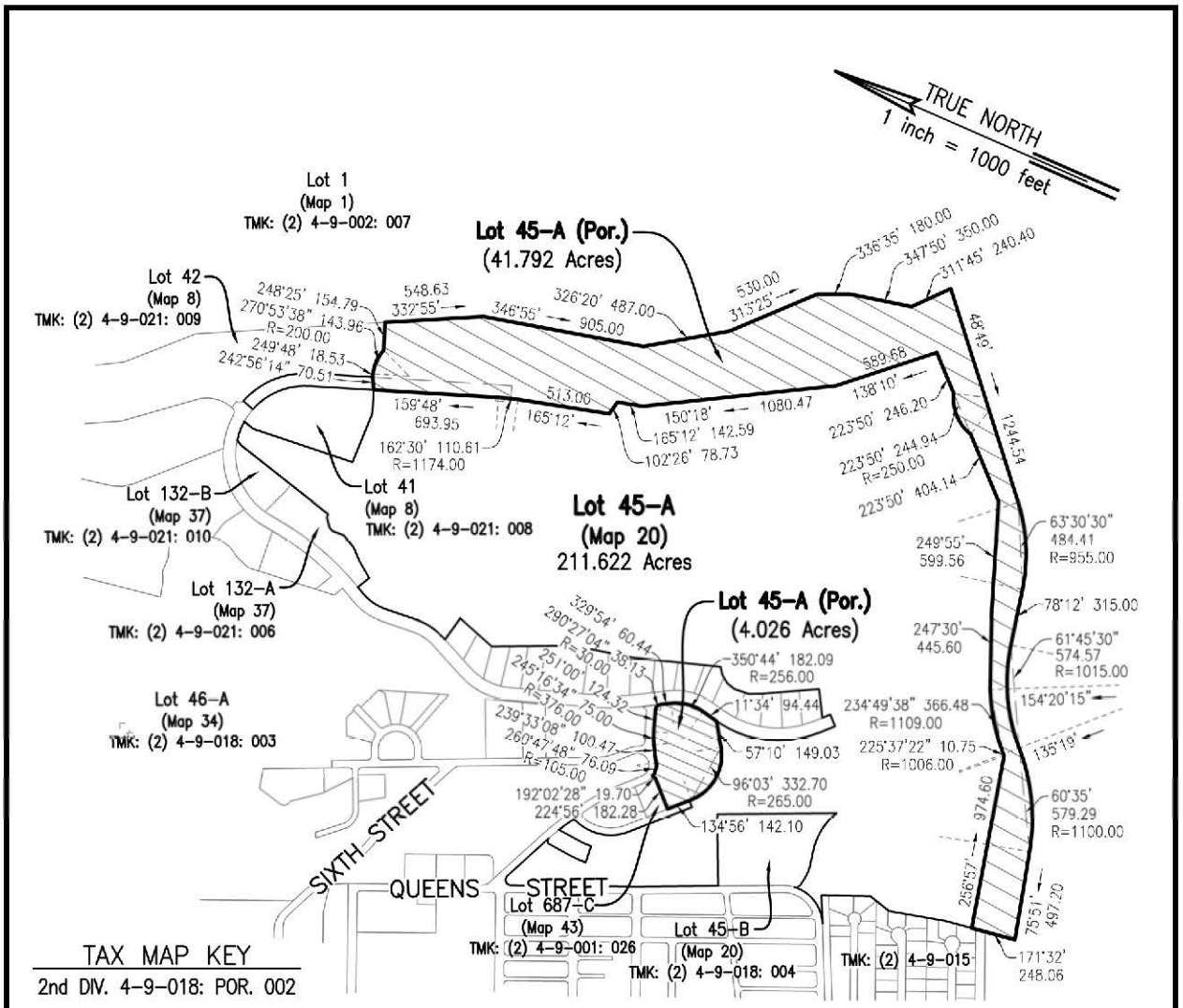
COMMUNITY PLAN AMENDMENT - LANAI CITY, LANAI, HAWAII
FROM RURAL DISTRICT TO PROJECT DISTRICT

APPROVED: _____ COUNTY CLERK DATE	PUBLIC HEARING: ADOPTED-COUNCIL: ADOPTED-MAYOR: ORDINANCE
APPROVED: _____ PLANNING DIRECTOR DATE	DATE: / SCALE: 1"=600'

OFFICE OF THE COUNTY CLERK
200 S High Street, Wailuku Maui, Hawaii 96793

CP-

AP 11 CP



COMMUNITY PLAN MAP NO. CP-

COMMUNITY PLAN AMENDMENT - LANAI CITY, LANAI, HAWAII
FROM PROJECT DISTRICT TO OPEN SPACE

APPROVED: _____
COUNTY CLERK DATE

APPROVED: _____
PLANNING DIRECTOR DATE

PUBLIC HEARING:
ADOPTED-COUNCIL:
ADOPTED-MAYOR:
ORDINANCE

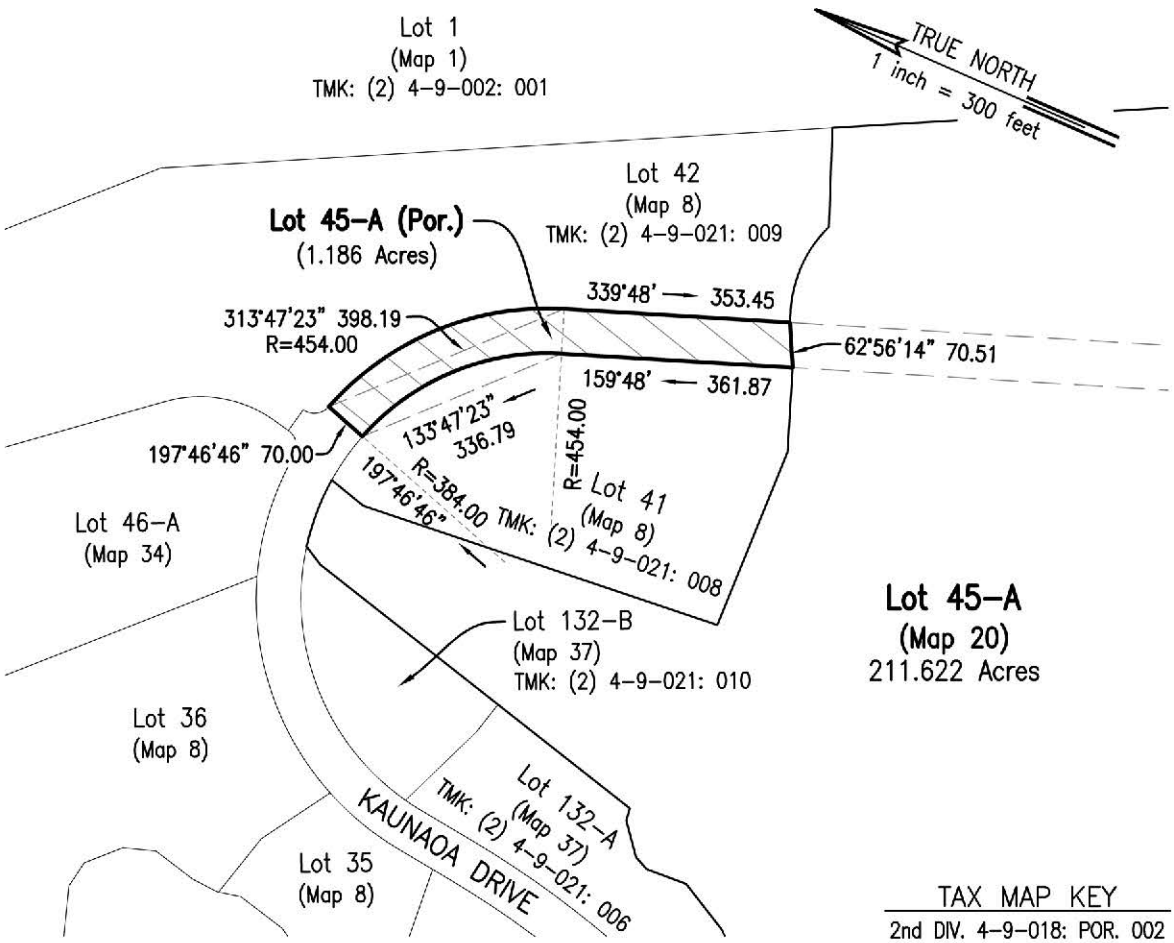
DATE:

SCALE: 1"=1000'

OFFICE OF THE COUNTY CLERK

200 S High Street, Wailuku Maui, Hawaii 96793

CP-



COMMUNITY PLAN MAP NO. CP-

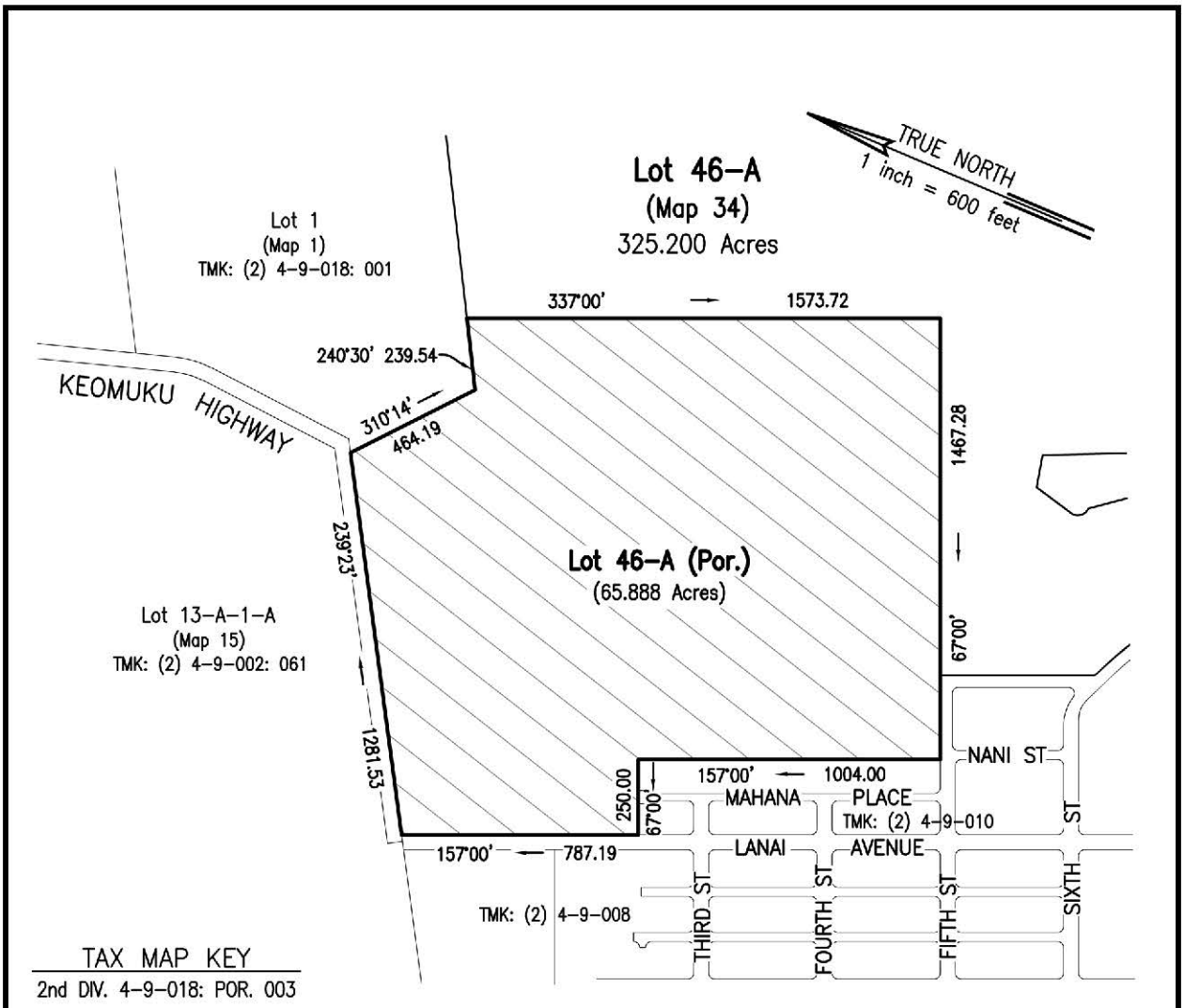
COMMUNITY PLAN AMENDMENT - LANAI CITY, LANAI, HAWAII
FROM PROJECT DISTRICT TO ROAD

APPROVED: _____ COUNTY CLERK DATE	PUBLIC HEARING: ADOPTED-COUNCIL: ADOPTED-MAYOR: ORDINANCE
APPROVED: _____ PLANNING DIRECTOR DATE	DATE: / SCALE: 1"=300'

OFFICE OF THE COUNTY CLERK
200 S High Street, Wailuku Maui, Hawaii 96793

CP-

AP 13 CP



COMMUNITY PLAN MAP NO. CP-

COMMUNITY PLAN AMENDMENT - LANAI CITY, LANAI, HAWAII
FROM PARK/GOLF COURSE TO PROJECT DISTRICT

APPROVED: _____
COUNTY CLERK DATE

APPROVED: _____
PLANNING DIRECTOR DATE

PUBLIC HEARING:
ADOPTED-COUNCIL:
ADOPTED-MAYOR:
ORDINANCE

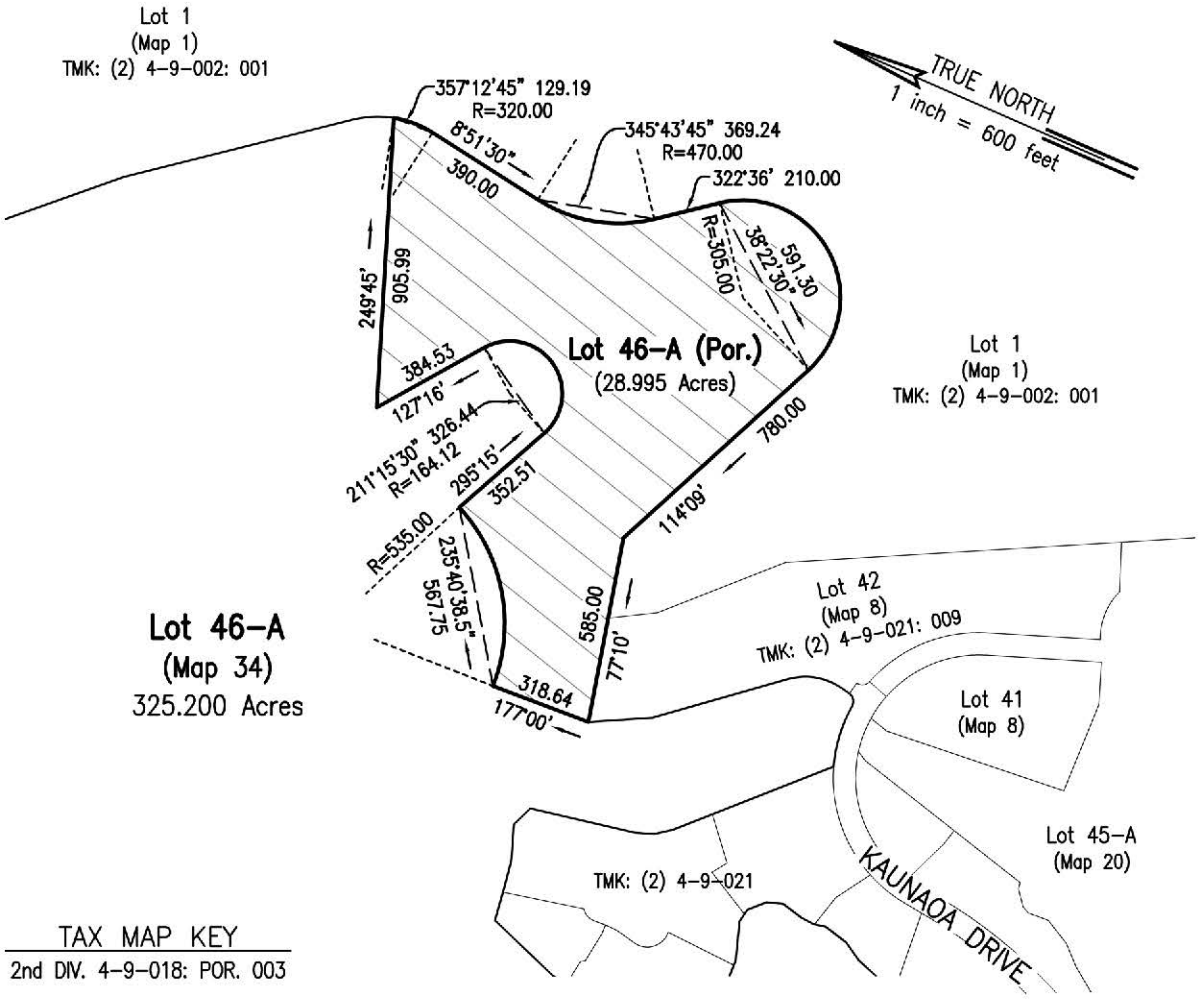
DATE:

SCALE: 1"=600'

OFFICE OF THE COUNTY CLERK
200 S High Street, Wailuku Maui, Hawaii 96793

CP-

AP 14 CP



COMMUNITY PLAN MAP NO. CP-

COMMUNITY PLAN AMENDMENT - LANAI CITY, LANAI, HAWAII
FROM PROJECT DISTRICT TO OPEN SPACE

APPROVED: _____
COUNTY CLERK DATE

APPROVED: _____
PLANNING DIRECTOR DATE

PUBLIC HEARING:
ADOPTED-COUNCIL:
ADOPTED-MAYOR:
ORDINANCE

DATE:

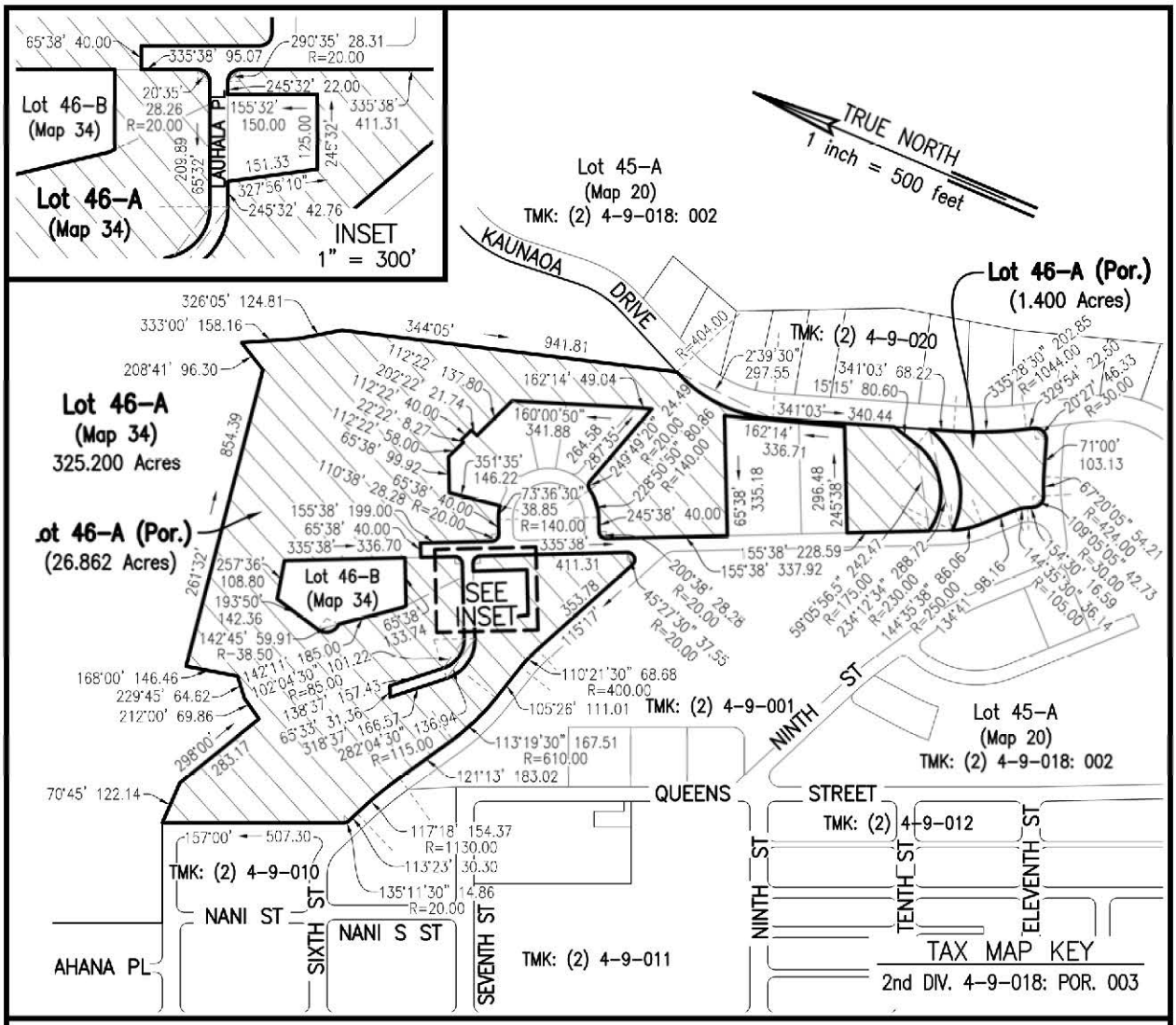
SCALE: 1"=600'

OFFICE OF THE COUNTY CLERK

200 S High Street, Wailuku Maui, Hawaii 96793

CP-

AP 15 CP



COMMUNITY PLAN MAP NO. CP-

COMMUNITY PLAN AMENDMENT - LANAI CITY, LANAI, HAWAII
FROM PROJECT DISTRICT TO OPEN SPACE

APPROVED: _____
COUNTY CLERK DATE

APPROVED: _____
PLANNING DIRECTOR DATE

PUBLIC HEARING:
ADOPTED-COUNCIL:
ADOPTED-MAYOR:
ORDINANCE

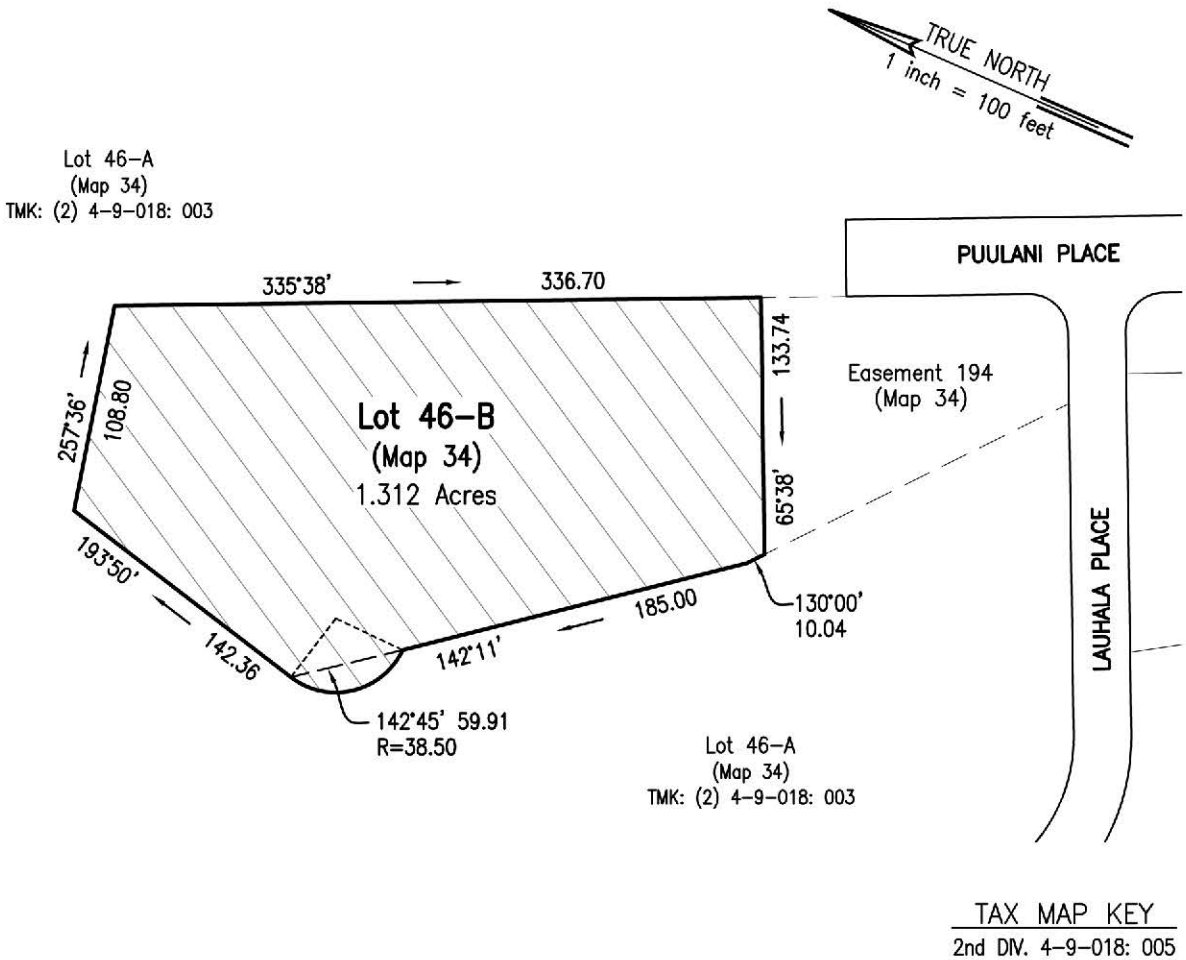
DATE:

SCALE: 1"=500'

OFFICE OF THE COUNTY CLERK

200 S High Street, Wailuku Maui, Hawaii 96793

CP-



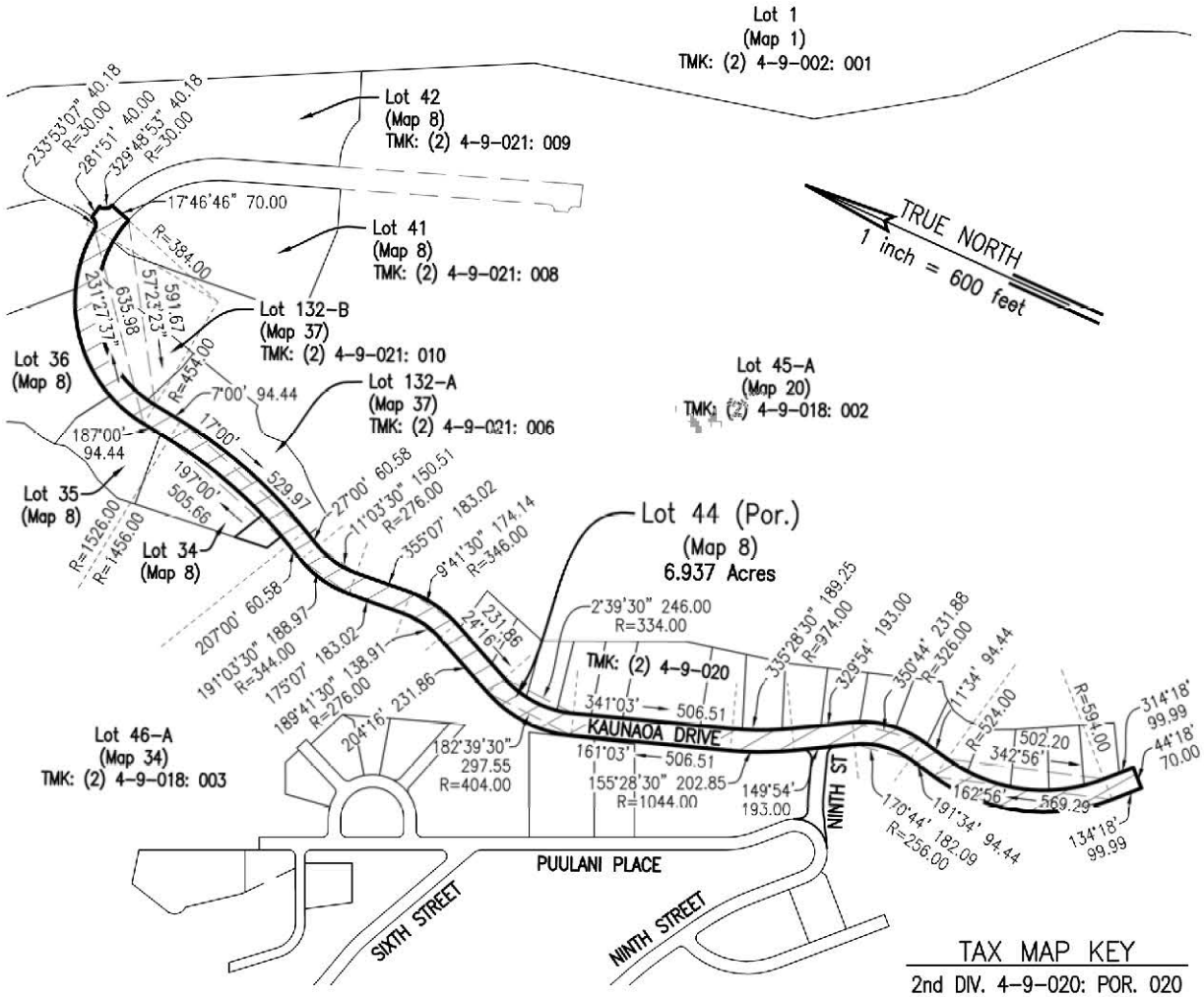
COMMUNITY PLAN MAP NO. CP-

COMMUNITY PLAN AMENDMENT - LANAI CITY, LANAI, HAWAII
FROM PROJECT DISTRICT TO SINGLE-FAMILY RESIDENTIAL

APPROVED: _____ COUNTY CLERK DATE	PUBLIC HEARING: ADOPTED-COUNCIL: ADOPTED-MAYOR: ORDINANCE
APPROVED: _____ PLANNING DIRECTOR DATE	DATE: / SCALE: 1"=100'

OFFICE OF THE COUNTY CLERK
200 S High Street, Wailuku Maui, Hawaii 96793

CP-



COMMUNITY PLAN MAP NO. CP-

COMMUNITY PLAN AMENDMENT - LANAI CITY, LANAI, HAWAII
FROM PROJECT DISTRICT TO ROAD

APPROVED: _____
COUNTY CLERK DATE

APPROVED: _____
PLANNING DIRECTOR DATE

PUBLIC HEARING:
ADOPTED-COUNCIL:
ADOPTED-MAYOR:
ORDINANCE

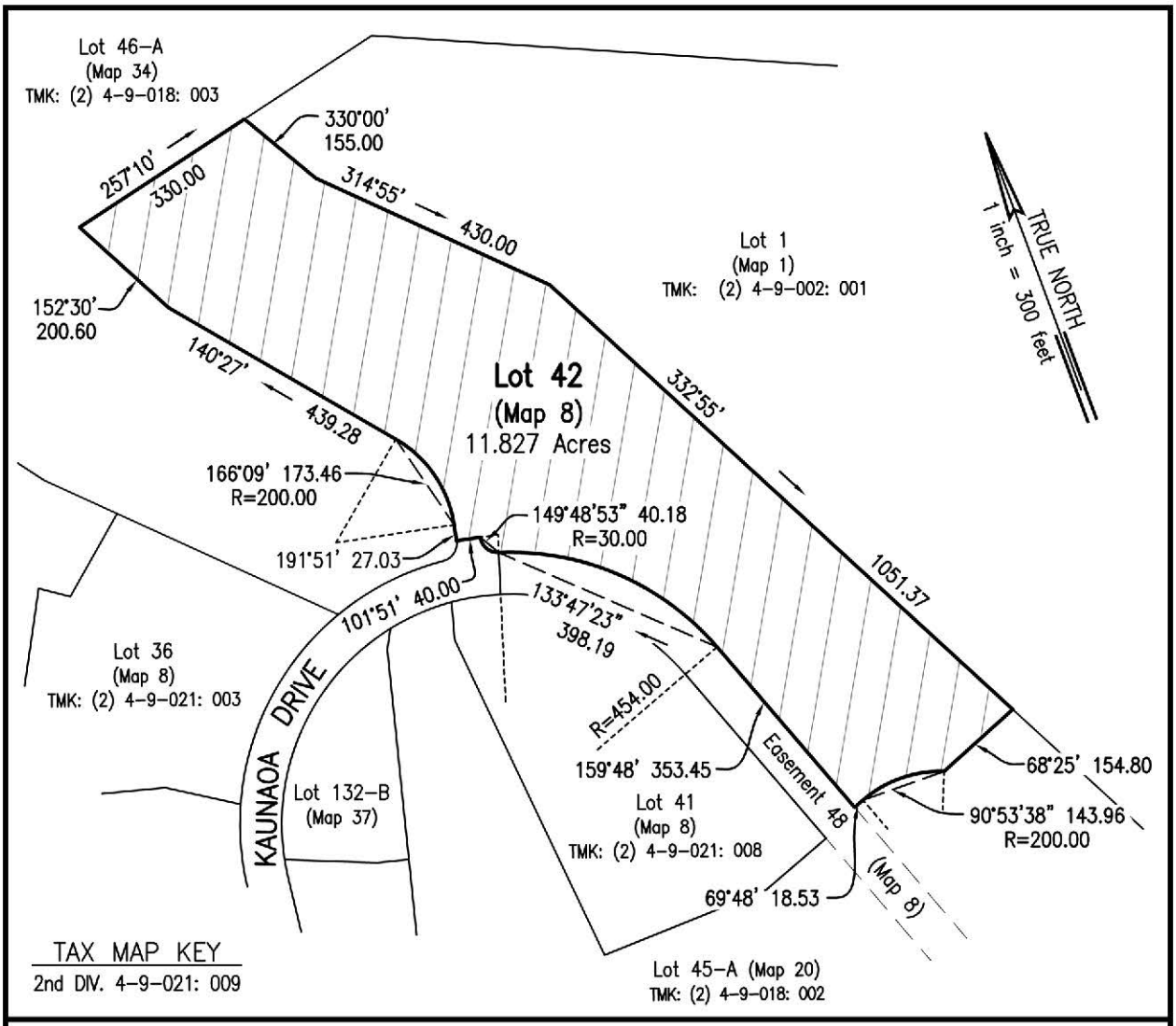
DATE:

SCALE: 1"=600'

OFFICE OF THE COUNTY CLERK

200 S High Street, Wailuku Maui, Hawaii 96793

CP-



COMMUNITY PLAN MAP NO. CP-

COMMUNITY PLAN AMENDMENT - LANAI CITY, LANAI, HAWAII
FROM PROJECT DISTRICT TO OPEN SPACE

APPROVED: _____
COUNTY CLERK DATE

APPROVED: _____
PLANNING DIRECTOR DATE

PUBLIC HEARING:
ADOPTED-COUNCIL:
ADOPTED-MAYOR:
ORDINANCE

DATE:

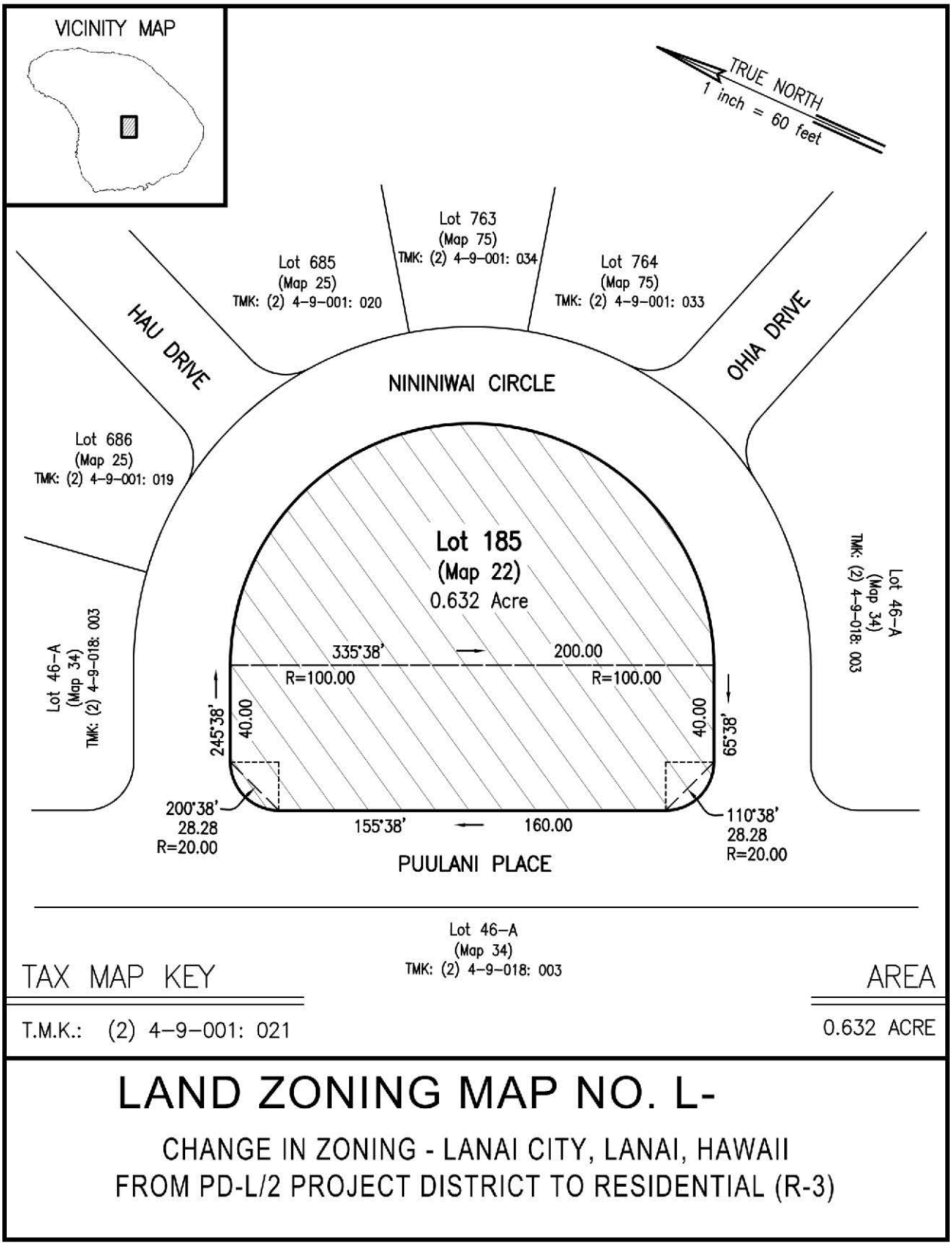
SCALE: 1"=300'

OFFICE OF THE COUNTY CLERK
200 S High Street, Wailuku Maui, Hawaii 96793

CP-

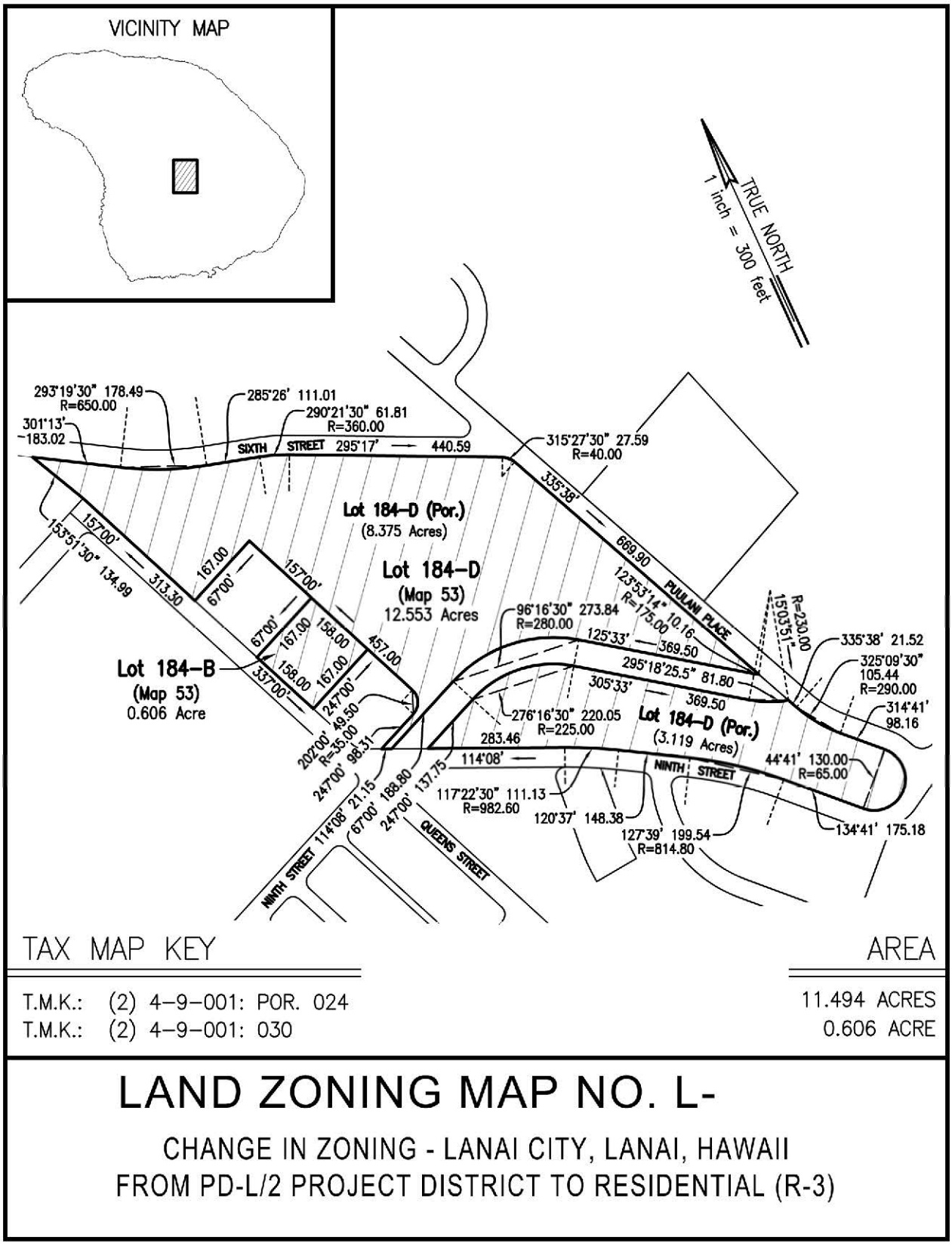
EXHIBIT 8.

Maui County Zoning Proposed Maps by Tax Map Key



LAND ZONING MAP NO. L-

CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM PD-L/2 PROJECT DISTRICT TO RESIDENTIAL (R-3)



TAX MAP KEY

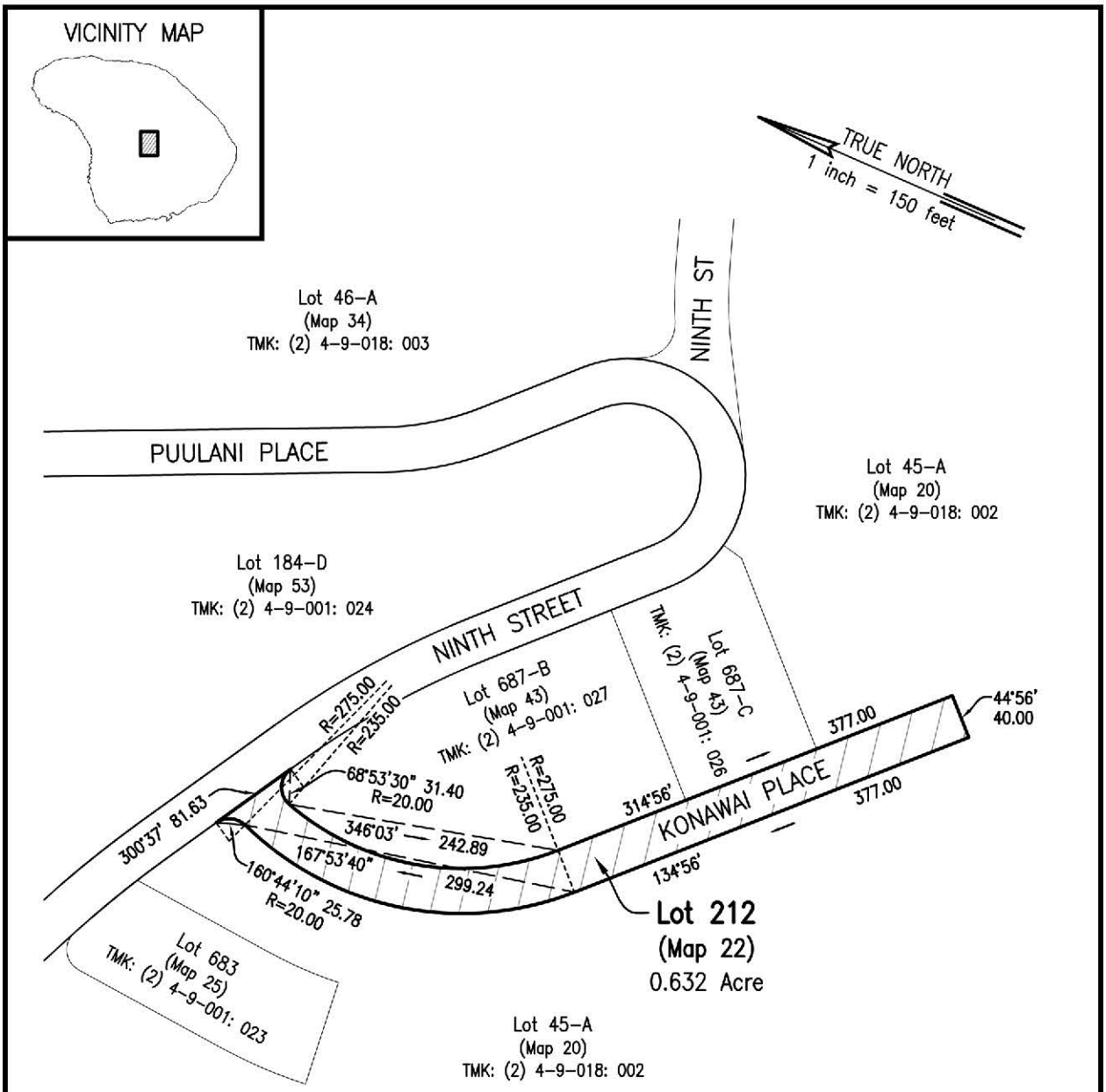
T.M.K.: (2) 4-9-001: POR. 024
T.M.K.: (2) 4-9-001: 030

AREA

11.494 ACRES
0.606 ACRE

LAND ZONING MAP NO. L-

CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM PD-L/2 PROJECT DISTRICT TO RESIDENTIAL (R-3)



TAX MAP KEY	AREA
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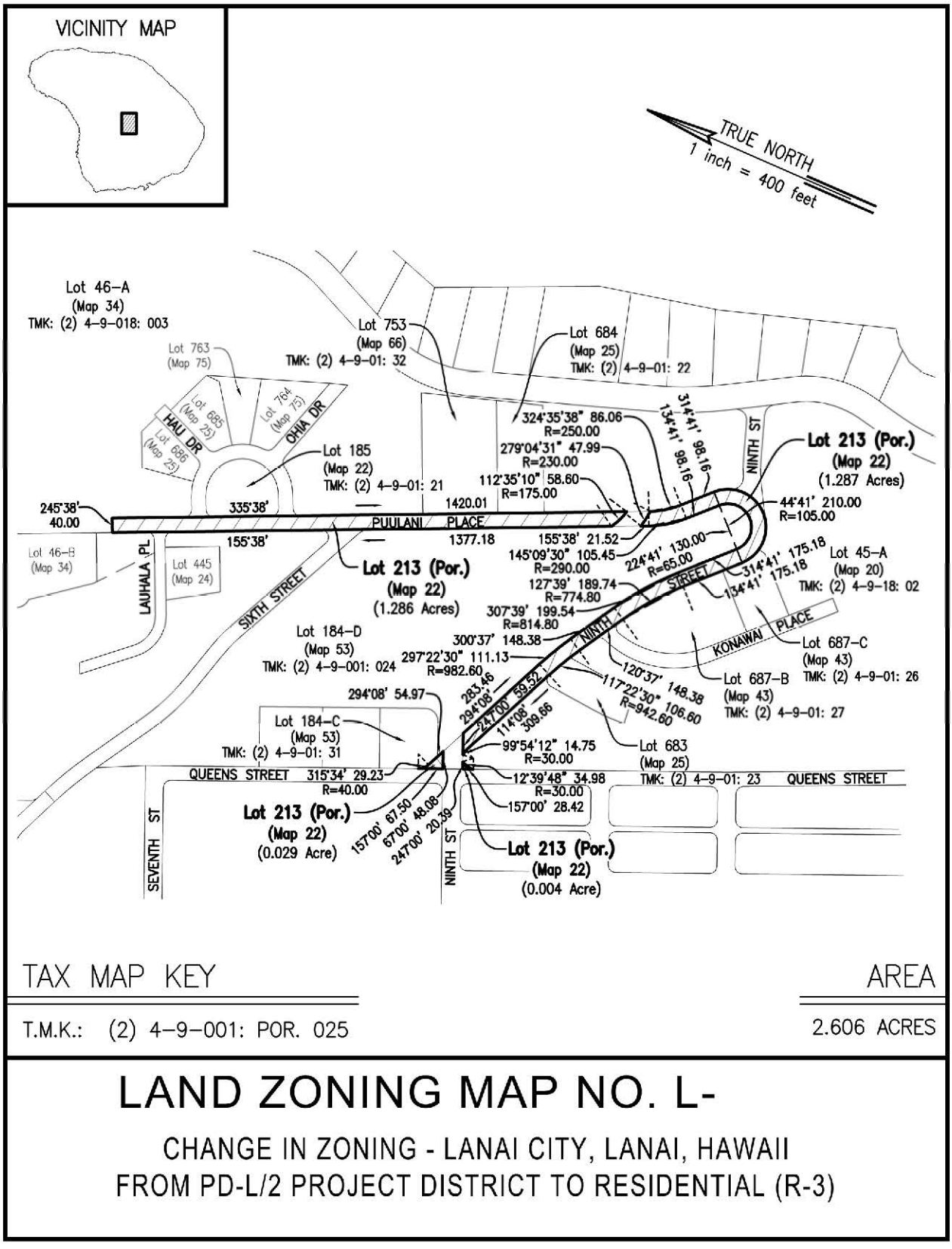
LAND ZONING MAP NO. L-

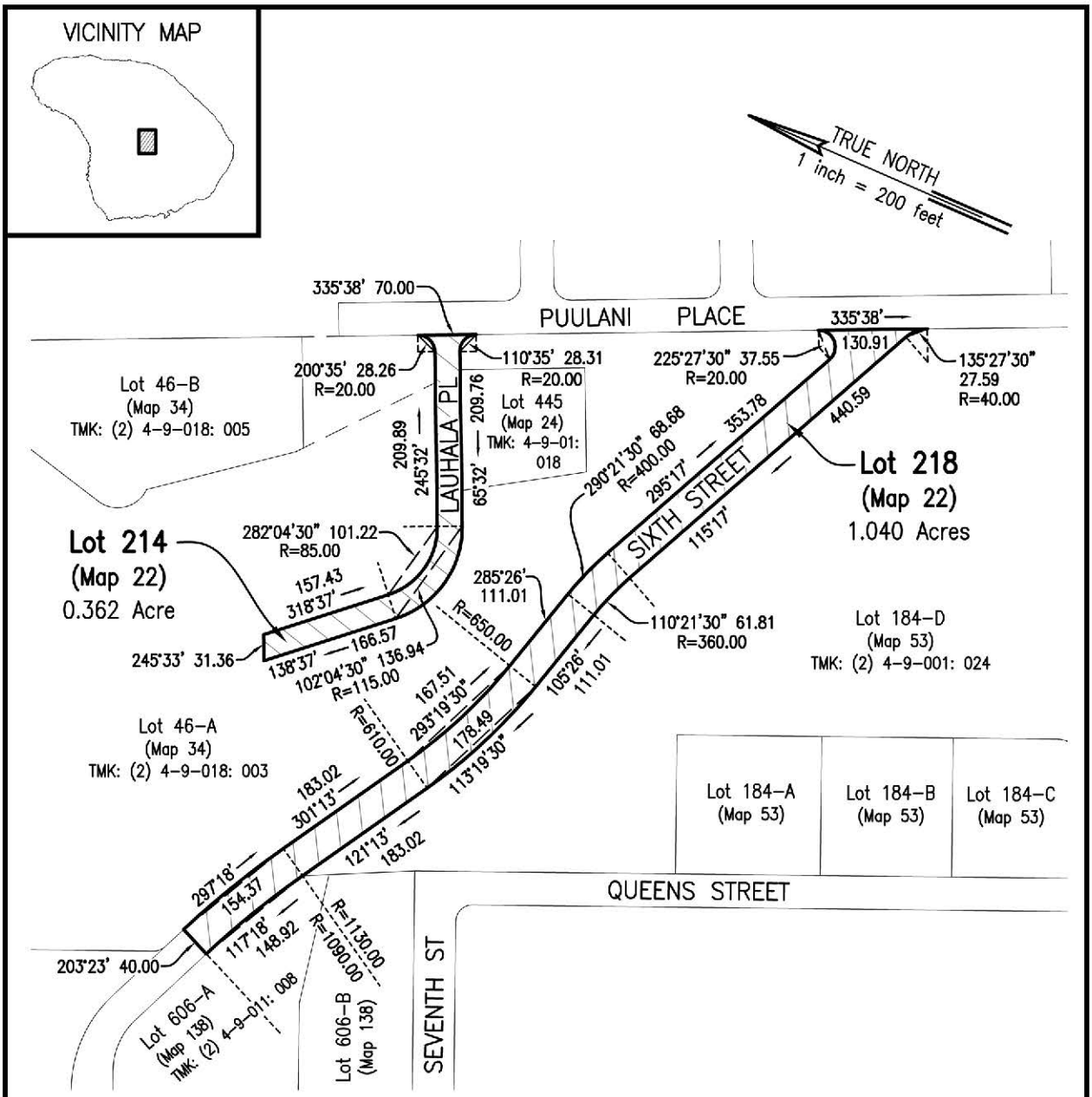
CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM PD-L/2 PROJECT DISTRICT TO RESIDENTIAL (R-3)



TAX MAP KEY	AREA
T.M.K.: (2) 4-9-001: POR. 025	2.606 ACRES

LAND ZONING MAP NO. L-

CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM PD-L/2 PROJECT DISTRICT TO RESIDENTIAL (R-3)



TAX MAP KEY

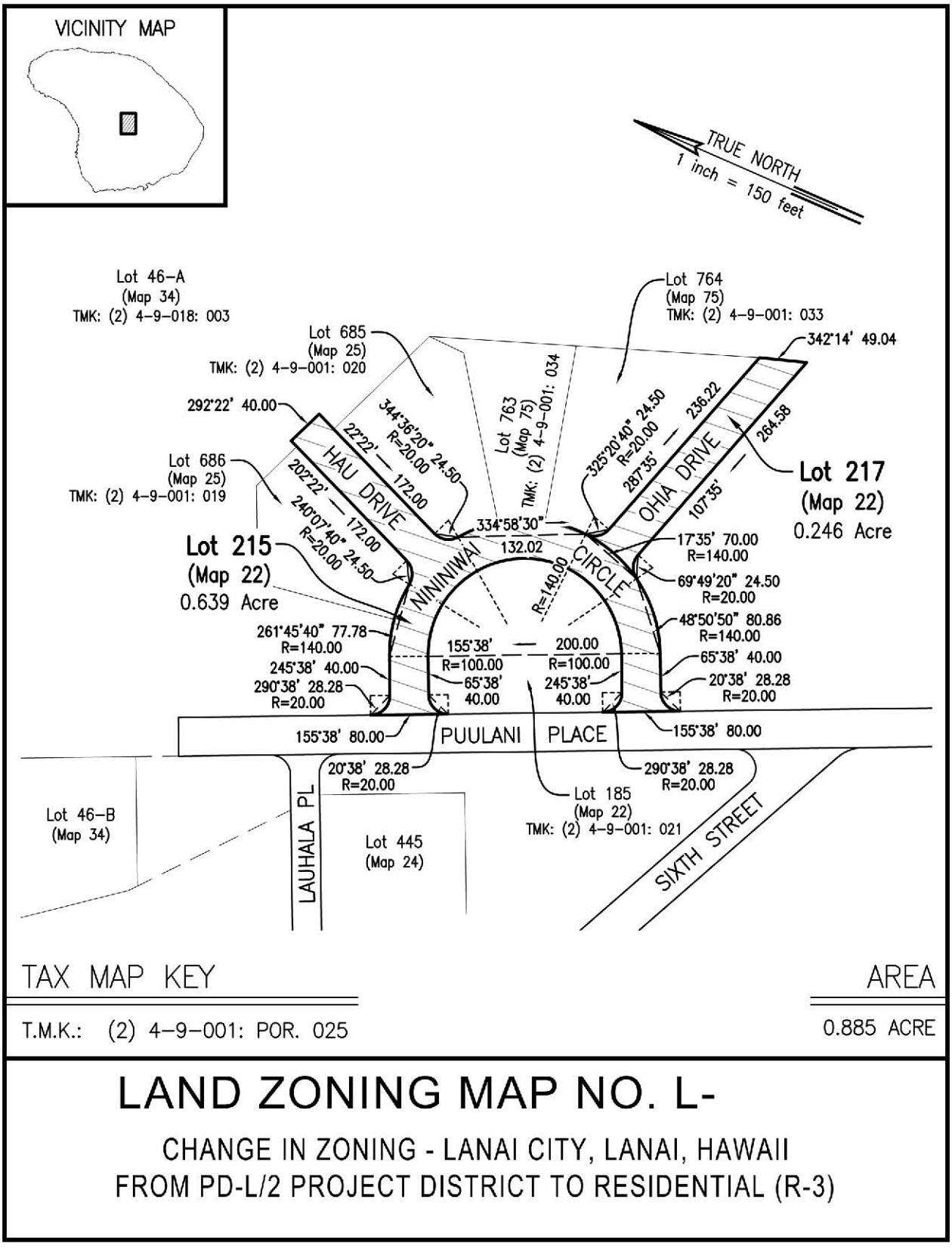
T.M.K.: (2) 4-9-001: POR. 025

AREA

1.402 ACRES

LAND ZONING MAP NO. L-

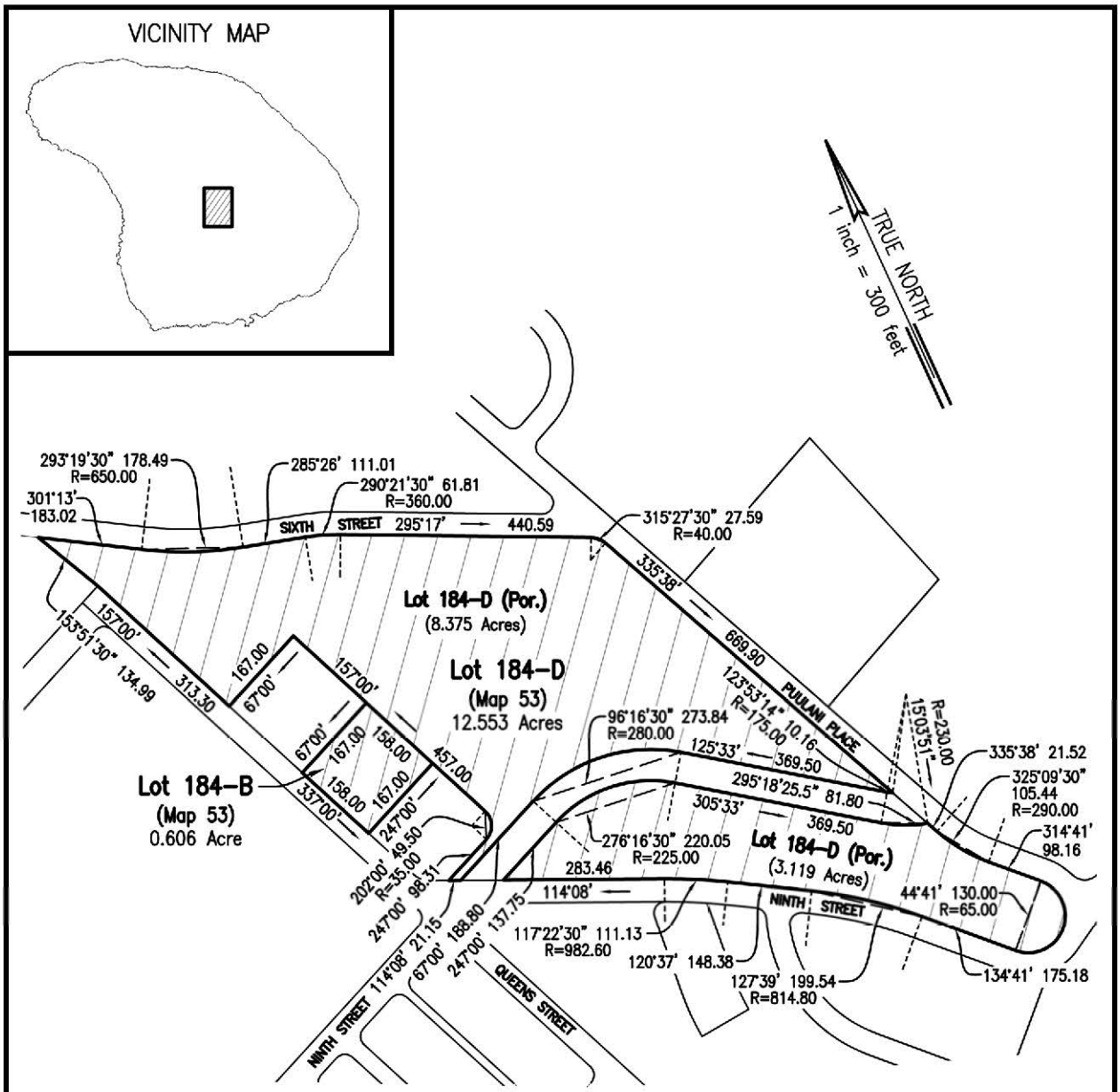
CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM PD-L/2 PROJECT DISTRICT TO RESIDENTIAL (R-3)



TAX MAP KEY	AREA
T.M.K.: (2) 4-9-001: POR. 025	0.885 ACRE

LAND ZONING MAP NO. L-

CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM PD-L/2 PROJECT DISTRICT TO RESIDENTIAL (R-3)



TAX MAP KEY

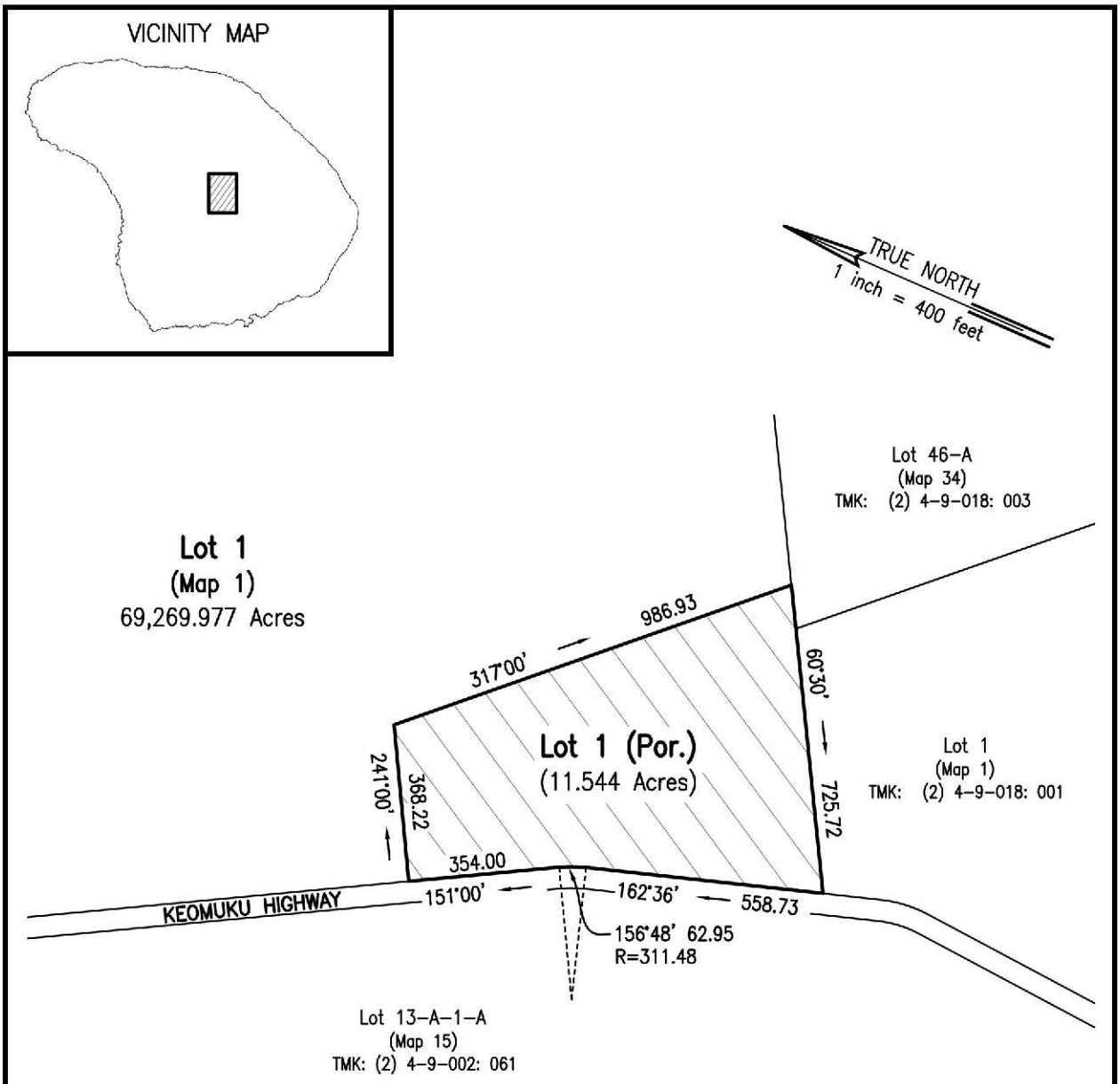
T.M.K.: (2) 4-9-001: POR. 024
T.M.K.: (2) 4-9-001: 030

AREA

11.494 ACRES
0.606 ACRE

LAND ZONING MAP NO. L-

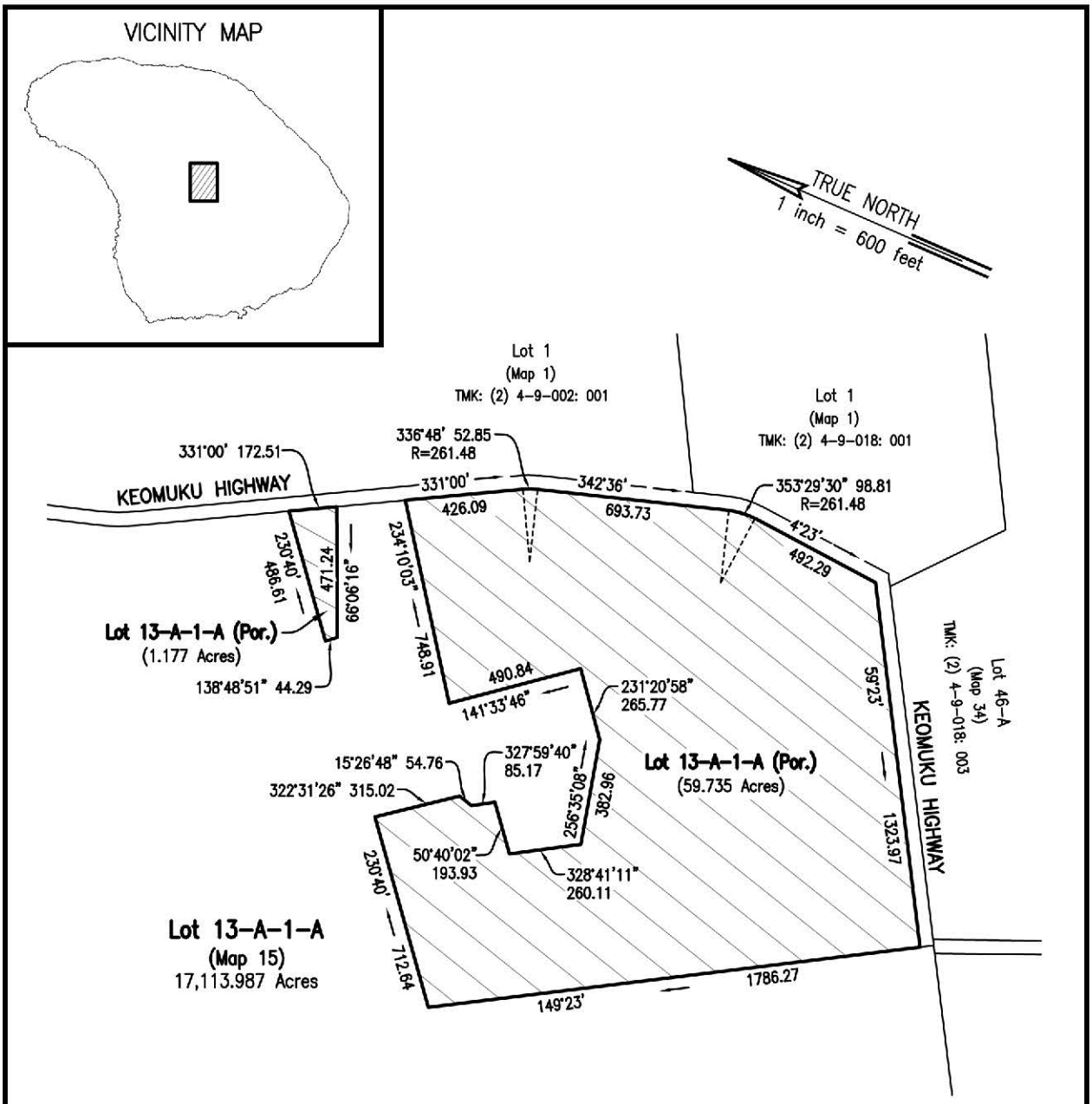
CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM PD-L/2 PROJECT DISTRICT TO RESIDENTIAL (R-3)



TAX MAP KEY	AREA
T.M.K.: (2) 4-9-002: POR. 001	11.544 ACRES

LAND ZONING MAP NO. L-

CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM INTERIM TO PD-L/2 PROJECT DISTRICT



TAX MAP KEY

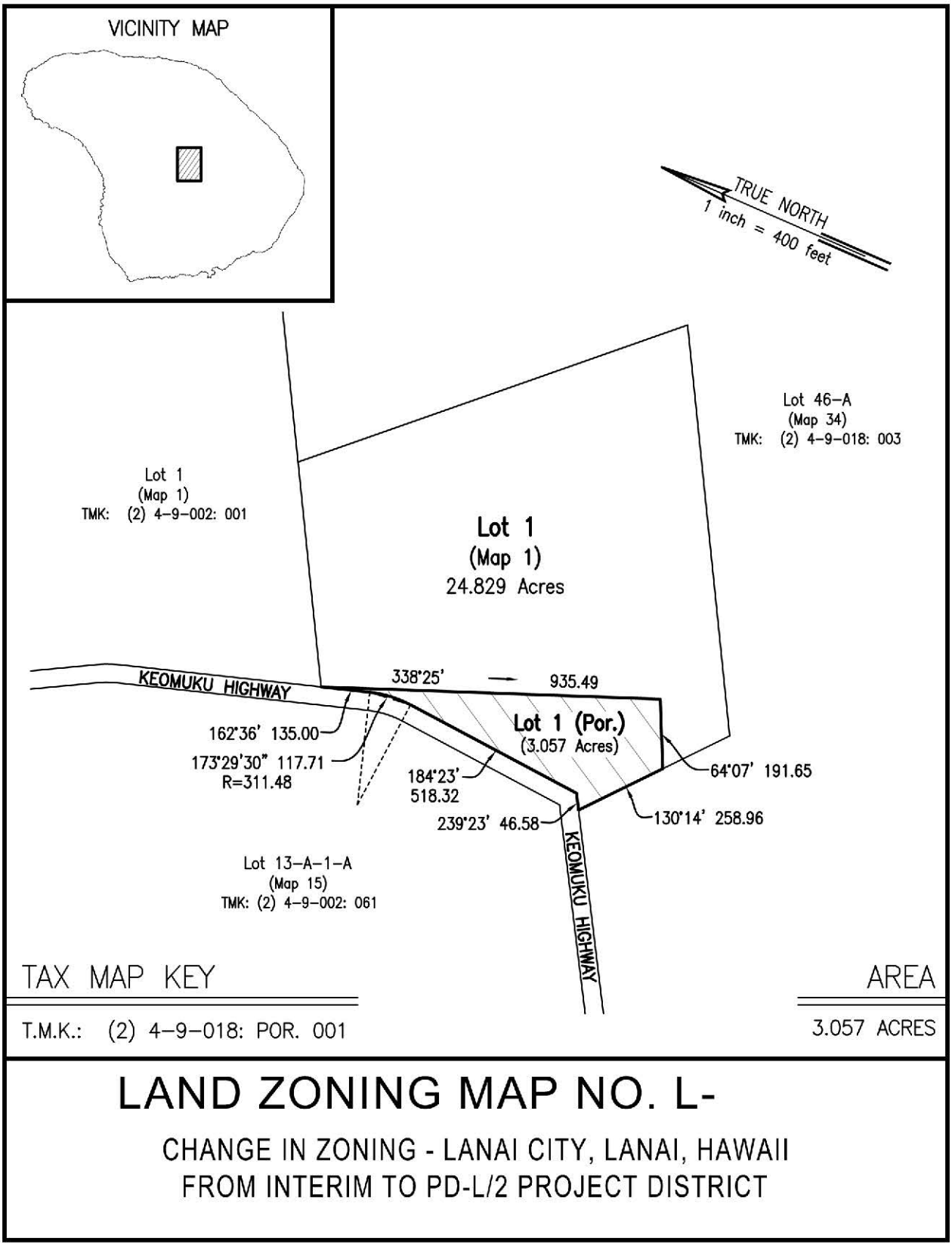
T.M.K.: (2) 4-9-002: POR. 061

AREA

60.911 ACRES

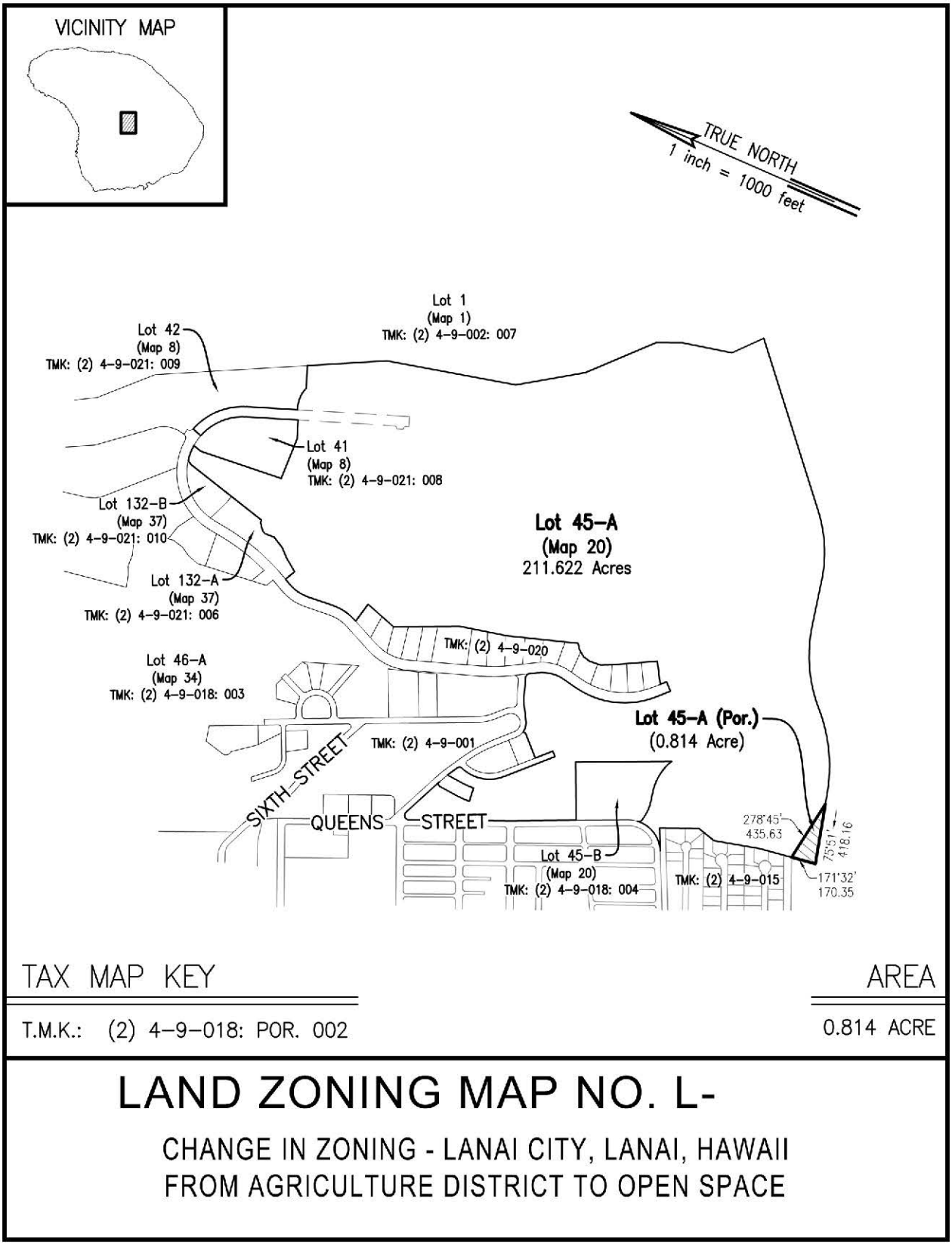
LAND ZONING MAP NO. L-

CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM AGRICULTURE DISTRICT TO PD-L/2 PROJECT DISTRICT



LAND ZONING MAP NO. L-

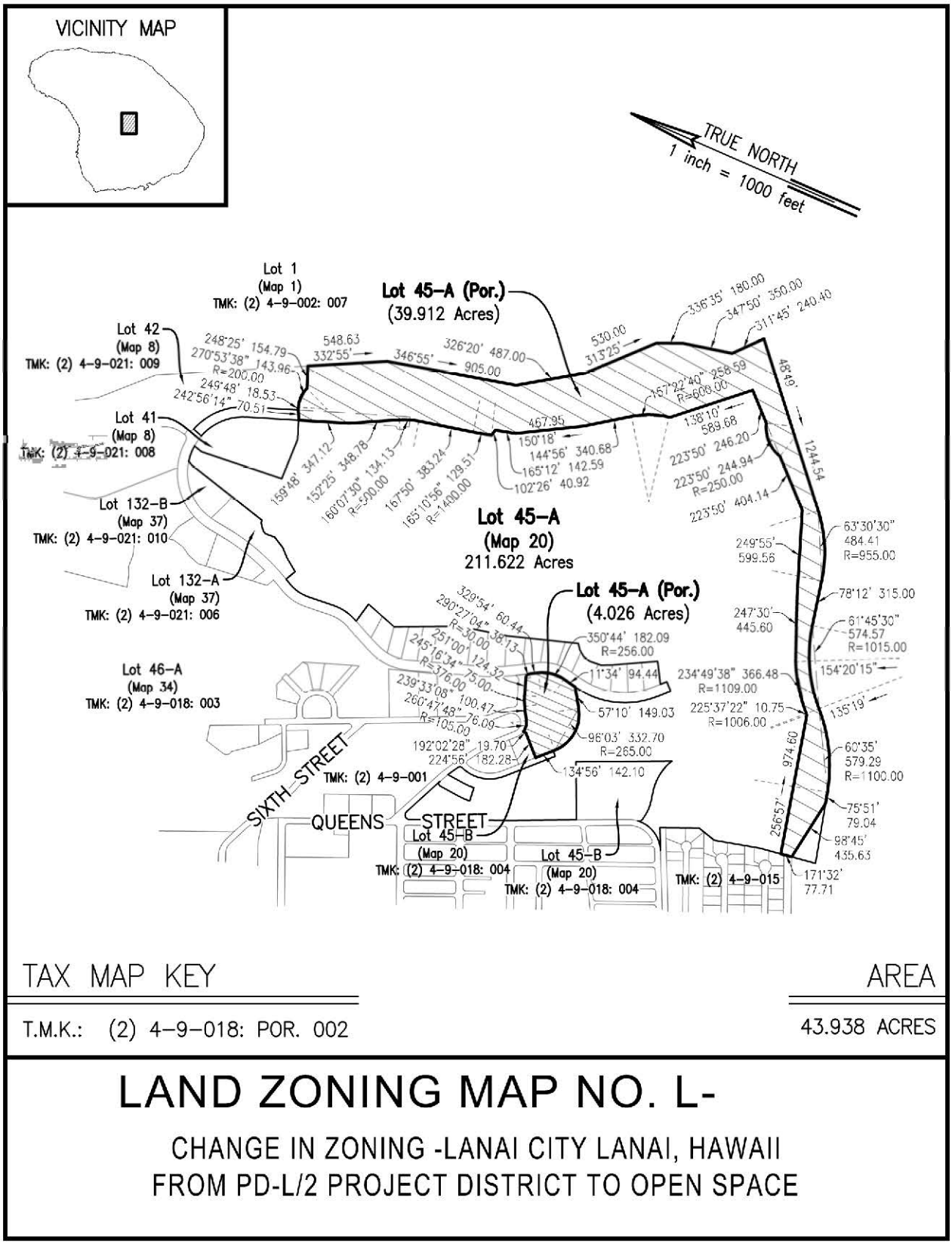
CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM INTERIM TO PD-L/2 PROJECT DISTRICT



TAX MAP KEY	AREA
T.M.K.: (2) 4-9-018: POR. 002	0.814 ACRE

LAND ZONING MAP NO. L-

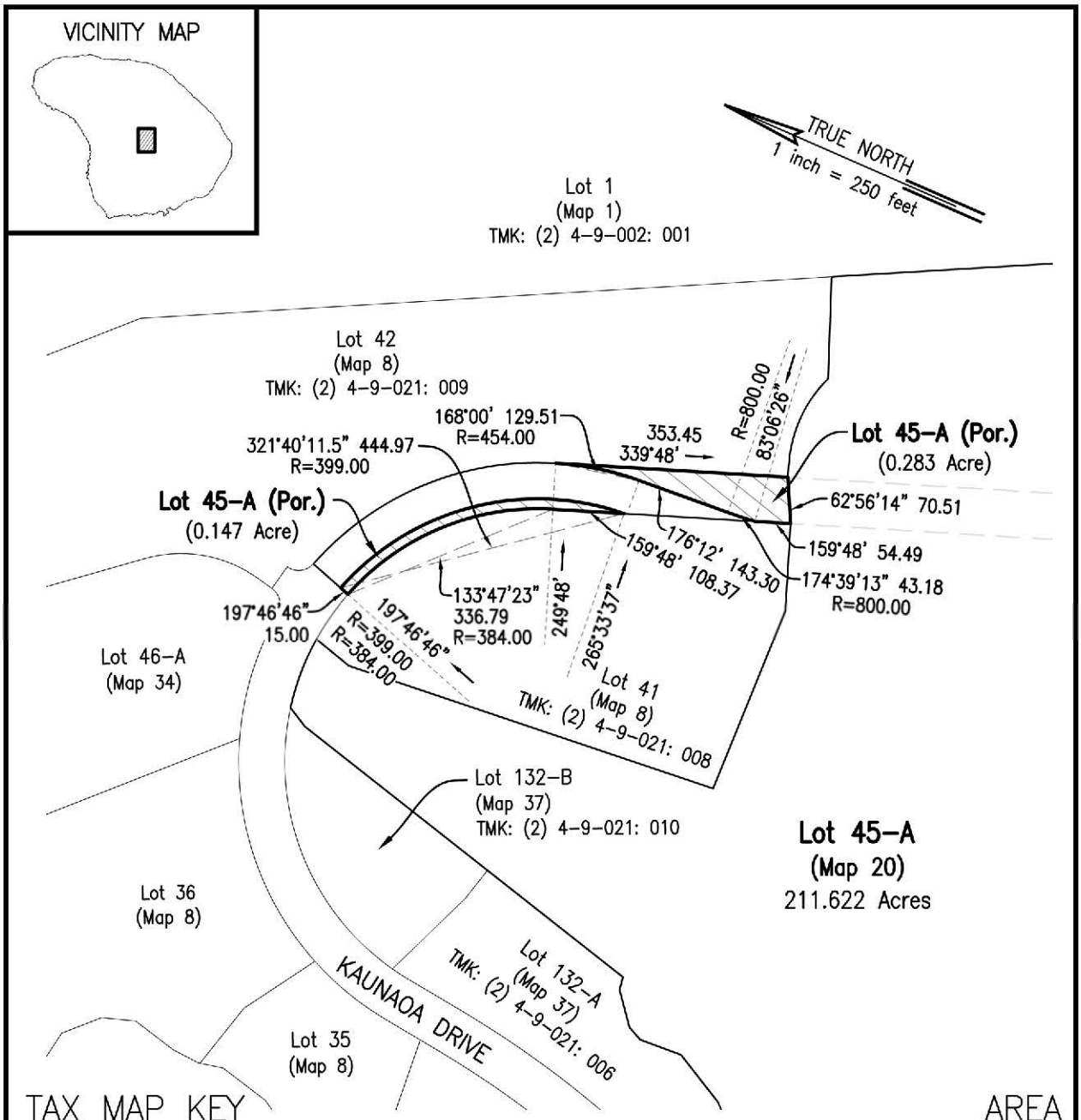
CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM AGRICULTURE DISTRICT TO OPEN SPACE



TAX MAP KEY	AREA
T.M.K.: (2) 4-9-018: POR. 002	43.938 ACRES

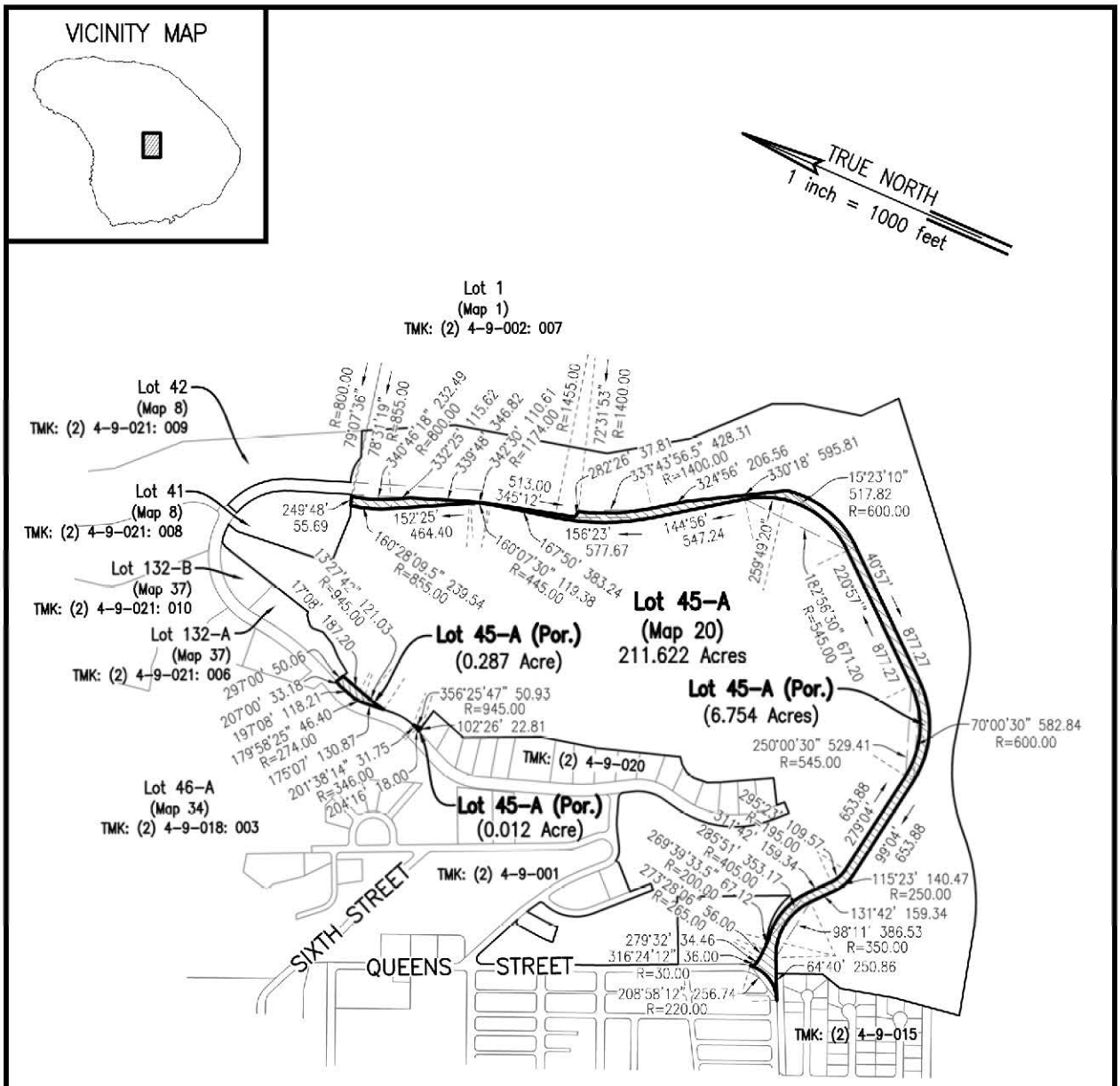
LAND ZONING MAP NO. L-

CHANGE IN ZONING -LANAI CITY LANAI, HAWAII
FROM PD-L/2 PROJECT DISTRICT TO OPEN SPACE



LAND ZONING MAP NO. L-

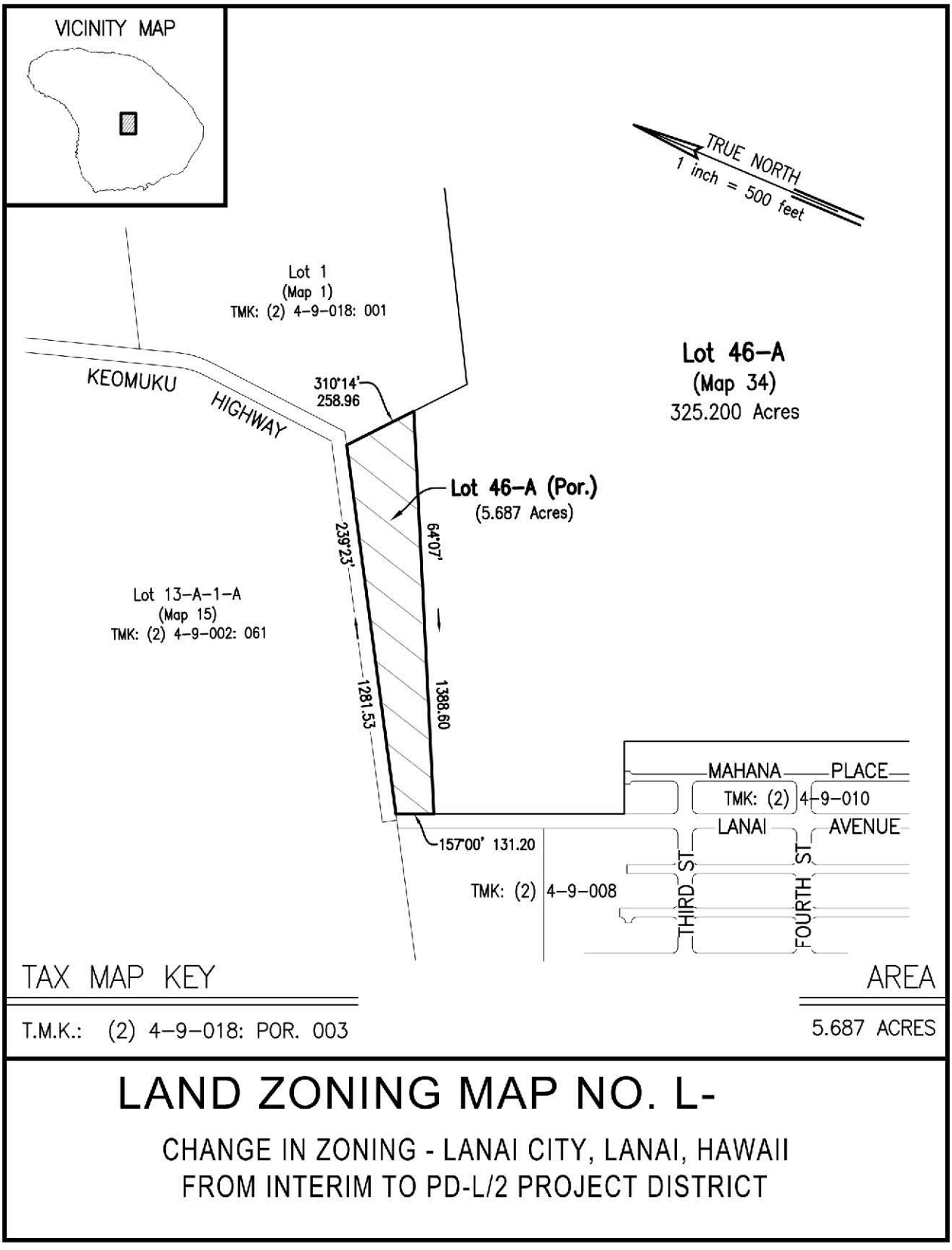
CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM PD-L/2 PROJECT DISTRICT TO ROAD



TAX MAP KEY	AREA
T.M.K.: (2) 4-9-018: POR. 002	7.053 ACRES

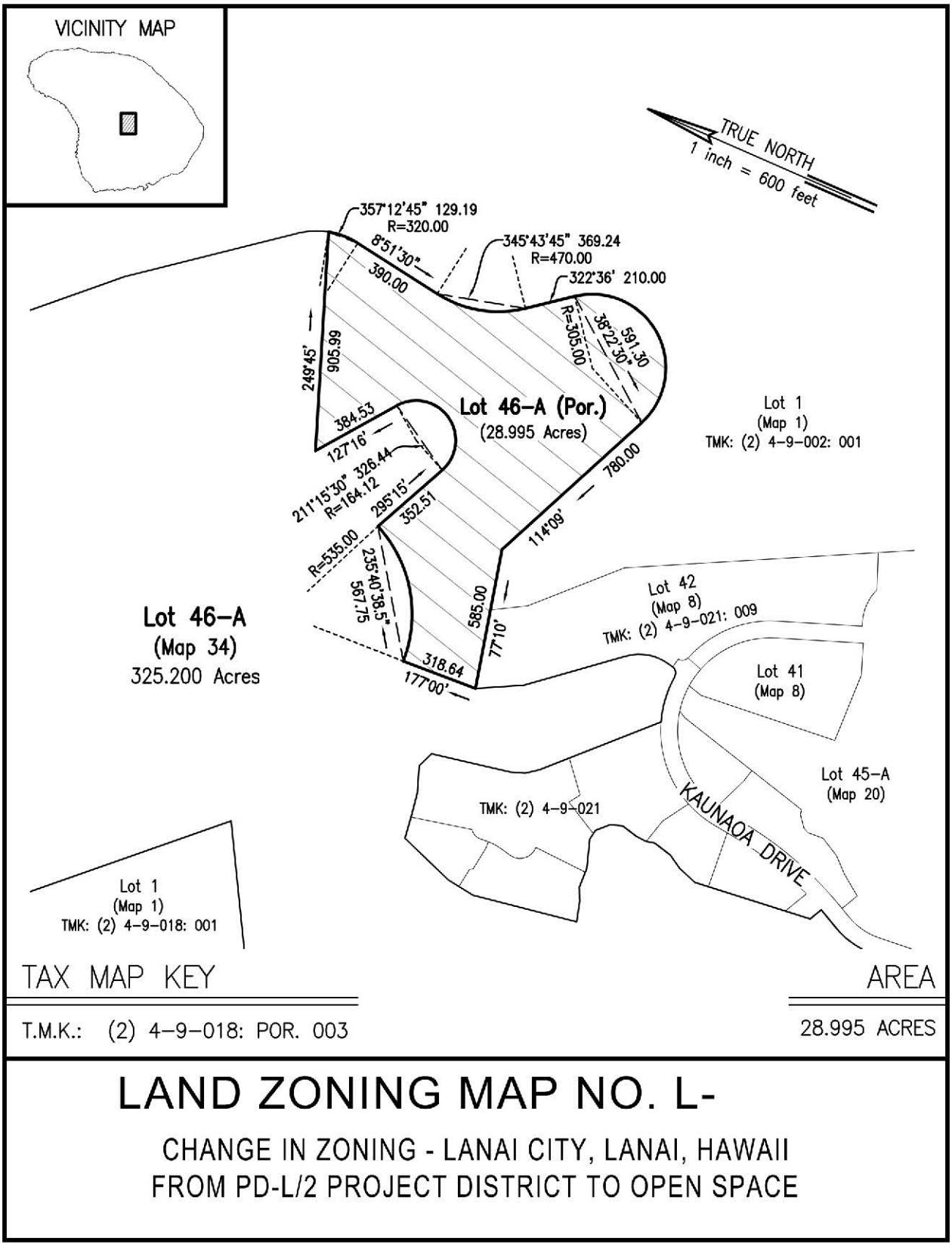
LAND ZONING MAP NO. L-

CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM ROAD TO PD-L/2 PROJECT DISTRICT



LAND ZONING MAP NO. L-

CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM INTERIM TO PD-L/2 PROJECT DISTRICT



TAX MAP KEY

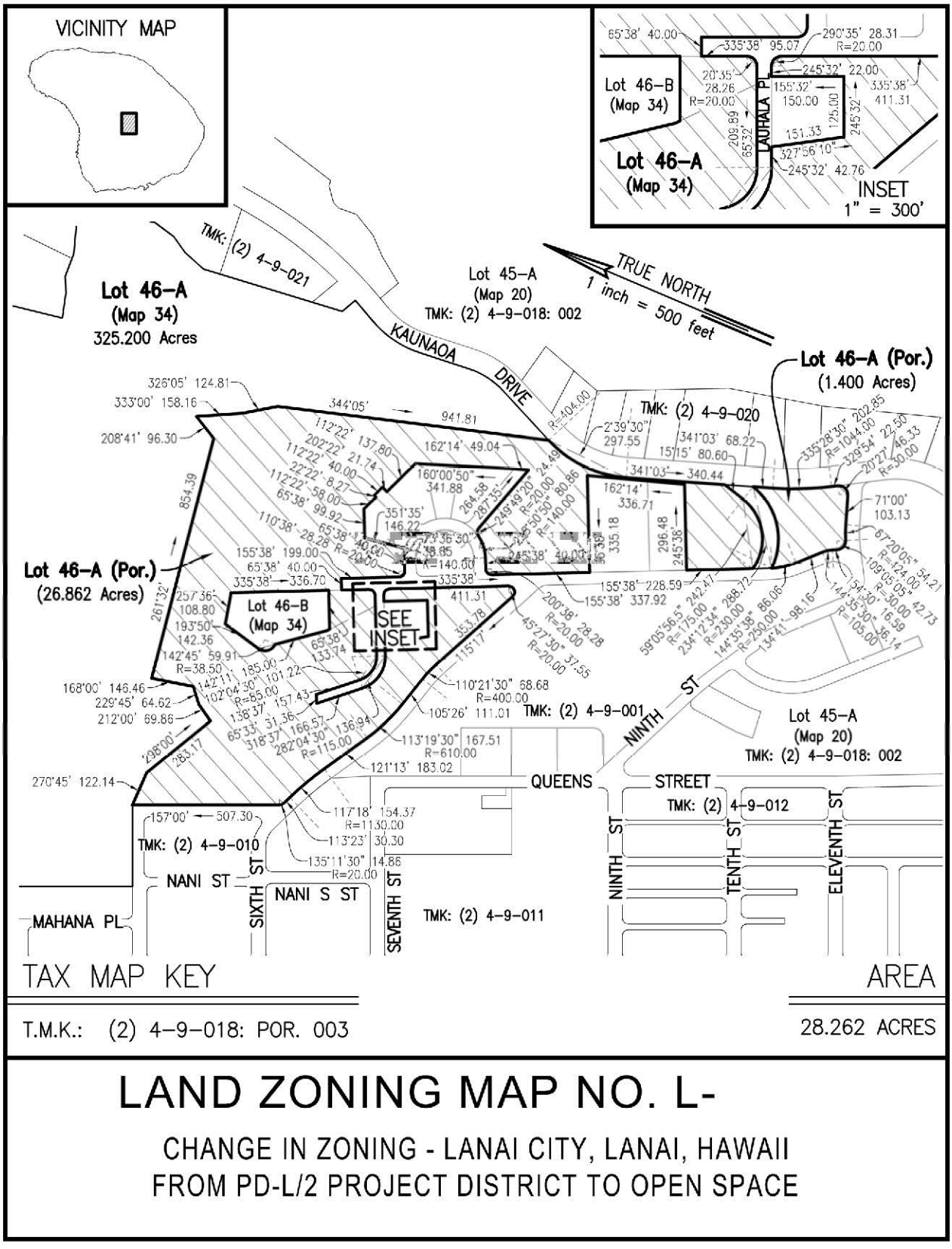
T.M.K.: (2) 4-9-018: POR. 003

AREA

28.995 ACRES

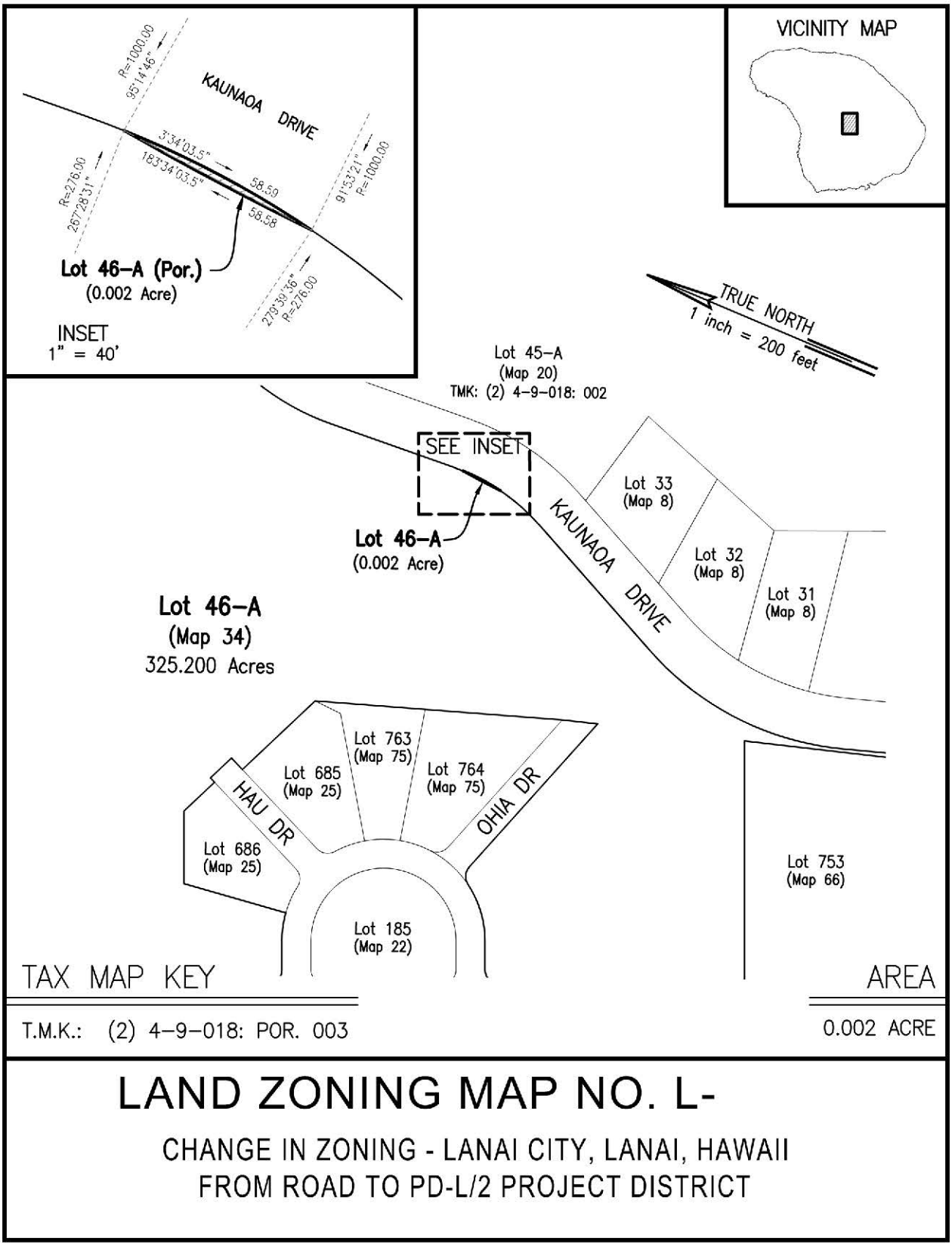
LAND ZONING MAP NO. L-

CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM PD-L/2 PROJECT DISTRICT TO OPEN SPACE



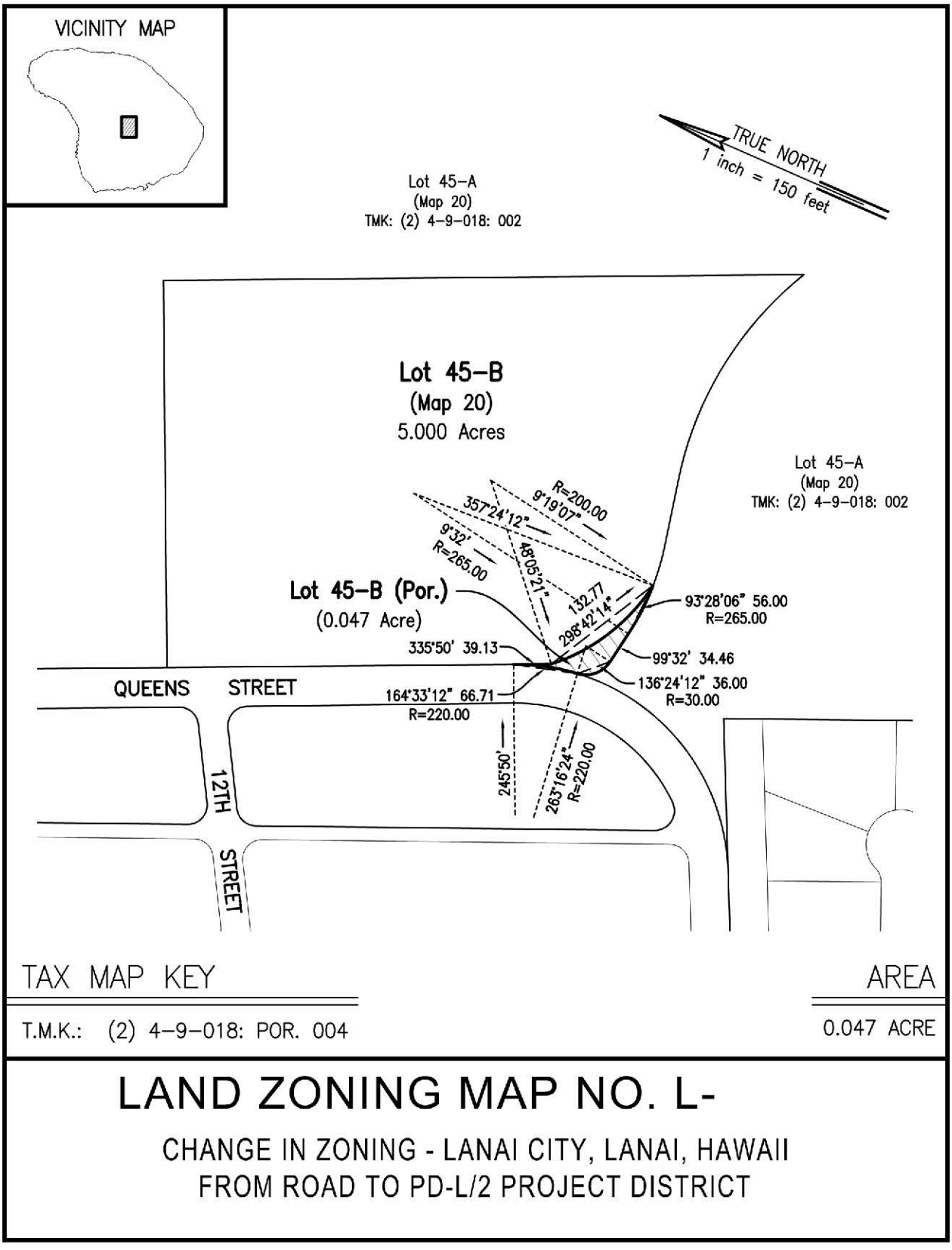
LAND ZONING MAP NO. L-

CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM PD-L/2 PROJECT DISTRICT TO OPEN SPACE



LAND ZONING MAP NO. L-

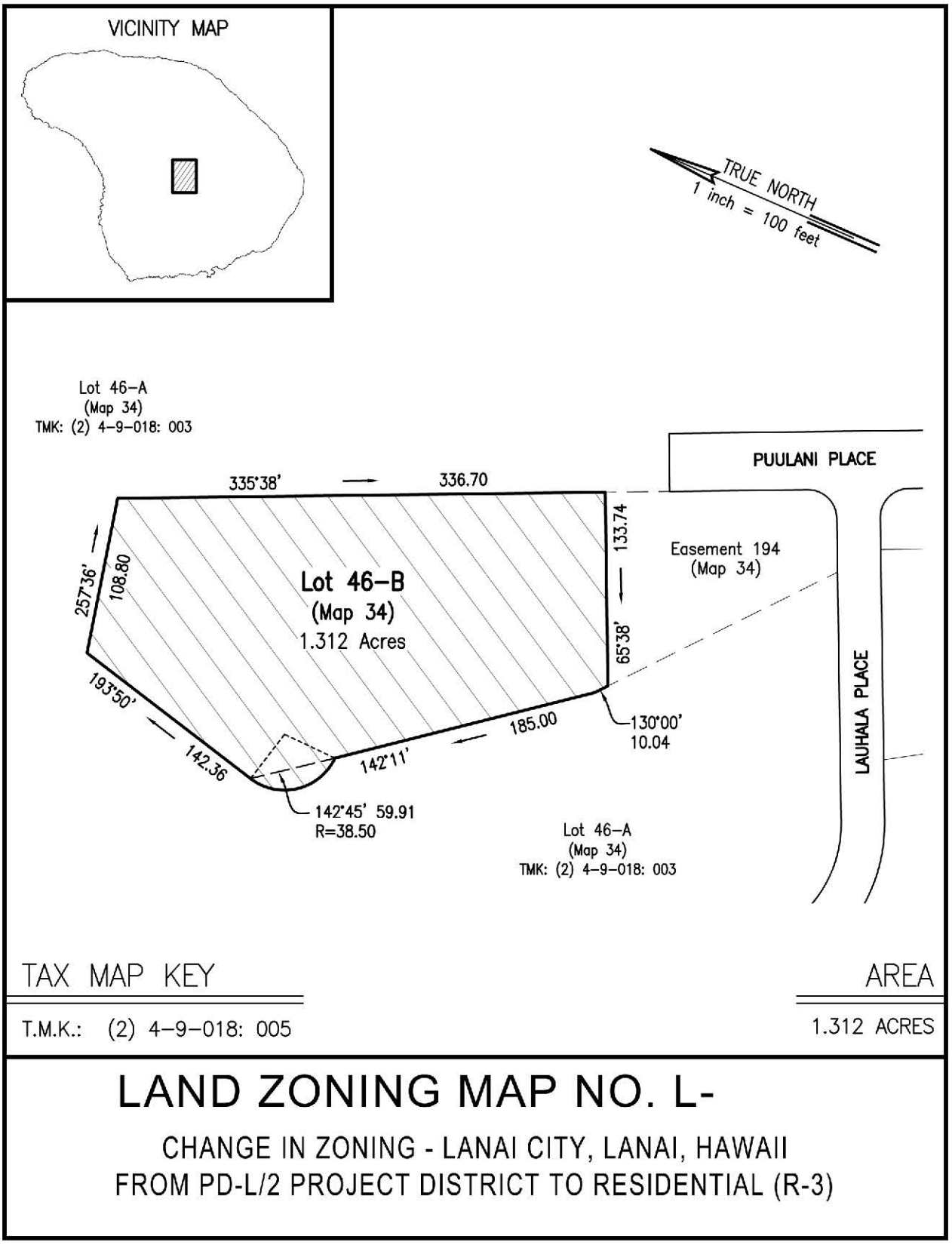
CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM ROAD TO PD-L/2 PROJECT DISTRICT



TAX MAP KEY	AREA
T.M.K.: (2) 4-9-018: POR. 004	0.047 ACRE

LAND ZONING MAP NO. L-

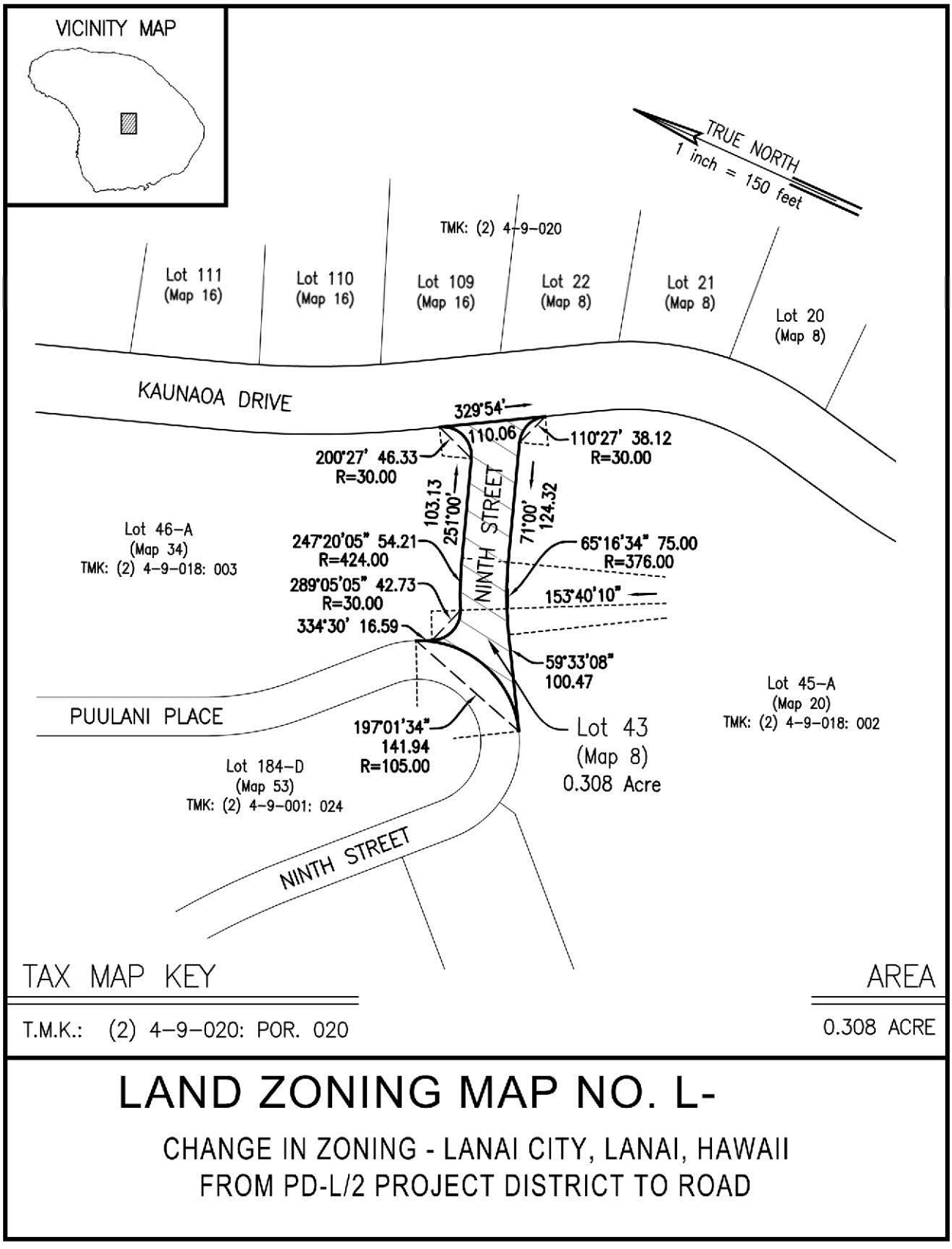
CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM ROAD TO PD-L/2 PROJECT DISTRICT



TAX MAP KEY	AREA
T.M.K.: (2) 4-9-018: 005	1.312 ACRES

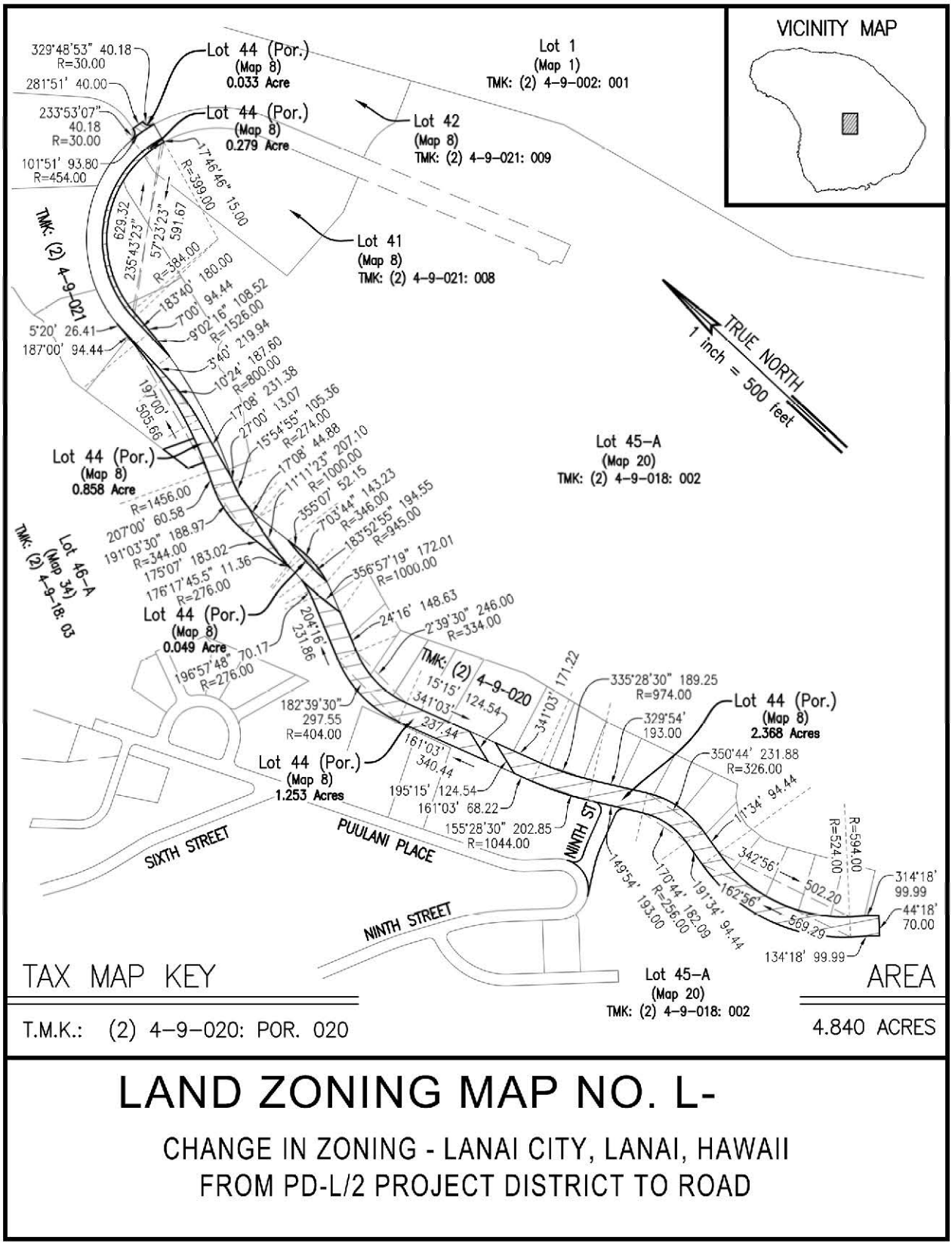
LAND ZONING MAP NO. L-

CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM PD-L/2 PROJECT DISTRICT TO RESIDENTIAL (R-3)



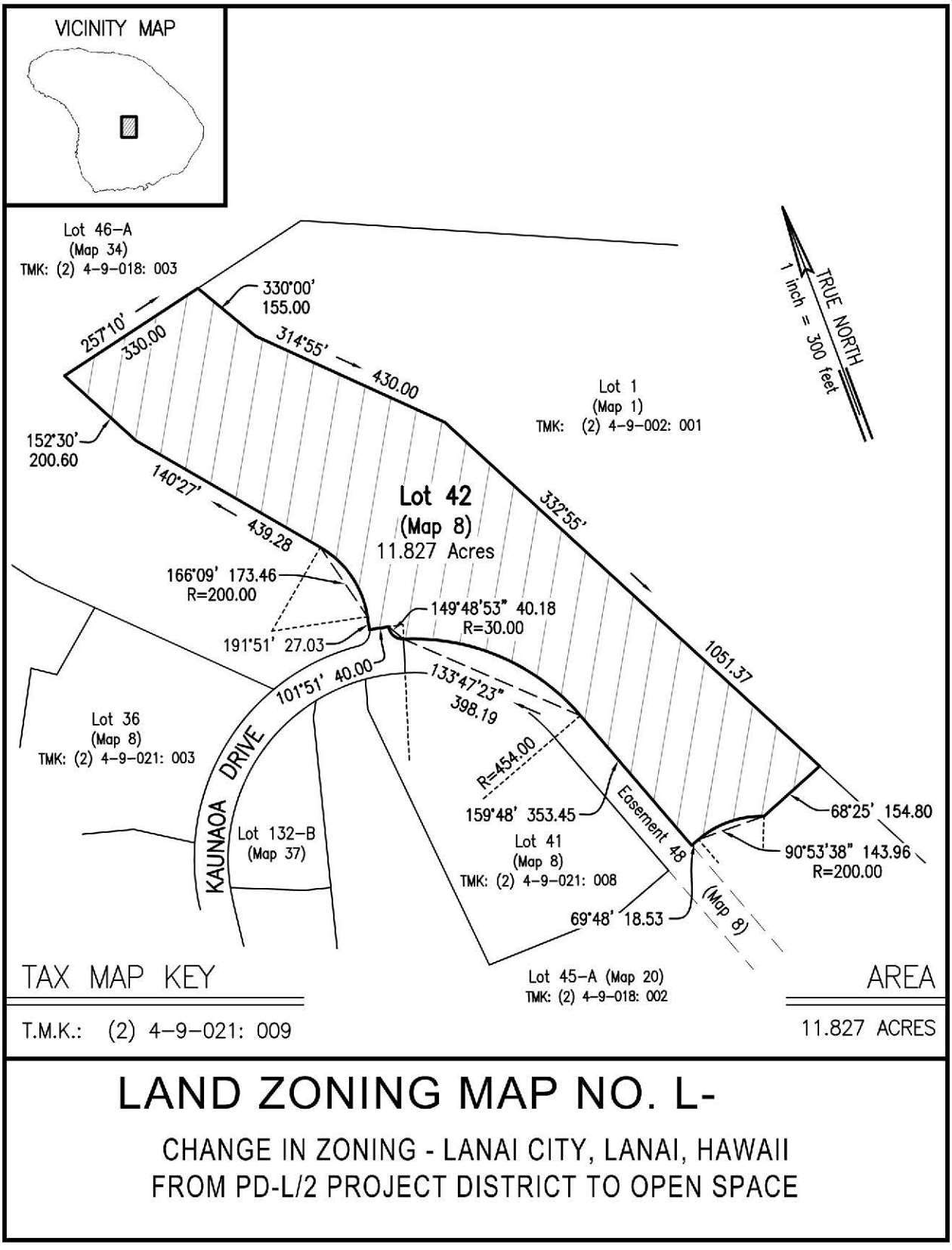
LAND ZONING MAP NO. L-

CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM PD-L/2 PROJECT DISTRICT TO ROAD



LAND ZONING MAP NO. L-

CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM PD-L/2 PROJECT DISTRICT TO ROAD



LAND ZONING MAP NO. L-

CHANGE IN ZONING - LANAI CITY, LANAI, HAWAII
FROM PD-L/2 PROJECT DISTRICT TO OPEN SPACE

ENCLOSURE 2

BEFORE THE LANAI ADVISORY COMMITTEE

BEFORE THE MAUI PLANNING COMMISSION

COUNTY OF MAUI

STATE OF HAWAII

In The Matter Of The Application Of	
LANAI RESORT PARTNERS	DOCKET NO. 92/PH2-004 & 92/PD1-003 MR. THOMAS LEPPERT (FGJ)
To Obtain A Project District Development, Phase II approval to Develop Residential Units and related improvements on about 179.9 acres of Land at Lanai, and to obtain a Step I Planned Development approval to permit flexibility in the Project District. Tax Map Key: 4-9-01:21, 24, 25, 27, 30; 4-9-02: portion of 1; and 4-9-18:1, 2, Second Division, Koele, Lanai City, Lanai, Hawaii.	

MAUI PLANNING DEPARTMENT'S REPORT TO THE LANAI ADVISORY COMMITTEE TO THE MAUI PLANNING COMMISSION DECEMBER 16, 1992 MEETING

DEPARTMENT OF PLANNING
COUNTY OF MAUI
250 S. HIGH STREET
WAILUKU, MAUI, HI. 96793

Project District Phase II
Planned Development Step I
92/PH2-004 and 92/PD1-003

BEFORE THE MAUI PLANNING COMMISSION

COUNTY OF MAUI

STATE OF HAWAII

In The Matter Of The Application Of)	
)	DOCKET NO. 92/PH2-004 &
)	92/PD1-003
LANAI RESORT PARTNERS)	MR. THOMAS LEPPERT
)	
To Obtain A Project District)	(FGU)
Development, Phase II approval to)	
Develop Residential Units and)	
related improvements on about 179.9)	
acres of Land at Lanai, and to)	
obtain a Step I Planned Development)	
approval to permit flexibility in)	
the Project District. Tax Map Key:)	
4-9-01:21, 24, 25, 27, 30; 4-9-02:)	
portion of 1; and 4-9-18:1, 2,)	
Second Division, Koele, Lanai City,)	
Lanai, Hawaii.)	

THE APPLICATION

This matter arises from application(s) for Project District Development Phase II and Planned Development Step I filed on August 28, 1992 and certified as complete and ready for processing by the Department of Public Works on September 8, 1992. The application was filed pursuant to Chapter 19.45, Maui County Code, 1980, as amended; by Lanai Resort Partners, ("Applicant"); on 632 acres of land in the Ko'ele District, situated at Lanai City, Island of Lanai, and County of Maui, identified as Maui Tax Map Key Nos.: 4-9-01:21, 24, 25, 27, 30; 4-9-02: portion of 1; and 4-9-18:1 and 2. ("Property").

PURPOSE OF THE APPLICATION

The Applicant is requesting to develop single-family and town home residential units at Lanai Project District 2 (Ko'ele). The development includes lots, dwelling units and accessory buildings, roads, utility systems, and landscaping.

APPLICABLE REGULATIONS

Project District Phase II Approval:

A Project District Phase II Approval is reviewed pursuant to Title 19 Zoning, Chapter 19.45 Project District Processing Regulations, Section 19.45.050 Processing procedures; Maui County Code, 1980, as amended. The applicant shall submit a preliminary site plan conforming to the project district ordinance for review and approval by the planning commission.

Planned Development Step I Approval

Standards for reviewing a Step 1 Planned Development Application are found in Title 19 Zoning, Chapter 19.32 Planned Development, Section 19.32.030 Standards of development as follows:

(1) The development shall meet all the construction standards and requirements of the various governmental agencies.

(2) Not less than twenty percent of the total area of the tract shall be common protected open space, integrated with the lot layout and street system in order to maximize its park-like effect. Common protected open space shall mean open space to be owned in common by the individual owners within the development and maintained in open space for their common use and enjoyment.

(3) Each building and structure shall be individually designed by a registered architect to conform with the intent of the planned development.

(4) Landscaping of the entire development, including along streets, within lots and in the open spaces shall be provided.

(5) Adequate recreational and community facilities shall be provided.

(6) Provision shall be made for adequate and continuing management of all open spaces and community facilities to insure proper maintenance and policing. Documents to said effect shall be required.

PROCEDURAL MATTERS

1. On December 4, 1992, the applicant mailed a letter of notification and location map to all owners and recorded lessees within 500 feet of the subject property describing the application(s) 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.

2. On November 30, 1992, a notice of hearing on the application(s) was published in the Maui News by the Maui Planning Department.

GENERAL DESCRIPTION

Description of the Property

The Property which is approximately 632 acres is located at the Koele area above Lanai City at Maui Tax Map Key Nos.: 4-9-01:21, 24, 25, 27, 30; 4-9-02: portion of 1; and 4-9-18:1 and 2, Lanai City, Koele District, Lanai, Hawaii. (See attached Map, Exhibit 1)

Land Use Designations:

State Land Use District: Urban

Lanai Community Plan: Lanai Project District 2 (Ko'ele)

County Zoning: Project District PD/L-2

SURROUNDING LAND USES:

	State Land Use Designations	Lanai Community Plan Designations
North:	State Rural	Rural
East:	State Conservation	Conservation
South:	State Agriculture	Agriculture

West: State Urban

Urban uses along Lanai City include: Residential, Public/Quasi-Public, & Hotel/Resort.

SITE DESCRIPTION: The proposed development for residential use will be located around a newly developed golf course primarily situated on a plateau above Lanai City. The northern portion of the site is transected by Kaiholena Gulch that runs in a southwest direction. The site is bordered along its southern boundaries by Kapano Gulch. Both gulches are normally dry except during heavy rainstorms. (Exhibit 2)

The northeast and eastern portion of the site is bounded by sloping, hillside terrain that is heavily wooded with koa and eucalyptus trees. The areas surrounding the existing golf course that will be developed into single-family and multi-family lots are former pineapple fields primarily vegetated with pastoral grasses and shrubs, e.g. molassasgrass, perenial foxtail, partridge pea, and Christmas berry. Swamp mahagony, ironwood, red ironbush and cook pine, Jamaica vervain, koa, and pukiawe grow in higher elevations on the site.

Animals noted in this area include axis deer from the woodland areas, domestic dogs and cats, and various types of rodents. Birds in the area are common introduced species that include lace neck doves, sparrows, francolins and turkey flocks.

Existing Services

The current potable water service irrigates the golf course landscaping and supplements the water level of various lakes within the course. The water comes from two existing wells along the slopes of the Puu Nene Hill boundary of the site. Water also comes from Well #6 and the Maunalei Pumping System. An existing 2MG reservoir tank on Nininiwai Hill stores water for current needs of the Koele Golf Course.

There are no existing sewer lines within the project district except for an abandoned 8" diameter pipe that is buried across the 14th hole fairway. This will be later connected up to the proposed sewer improvements along the loop road. The project's sewer system will connect up with the existing 8" diameter line along Kaumalapau and Queen Street.

The existing drainage system for the golf course is a

channeled through catch basins and then conveyed by underground pipes to supplement the various lakes. The 17th hole and its surrounding lake also acts as a retention basin for run-off.

Two existing power poles, one near the proposed main entry at Queens Street and Kaumalapau Highway and another on a residential road (Puulani Drive), on the Lanai City side of Nininiwai Hill, will provide electrical and telephone service to the site. All electrical power is generated from the Miki Basin power plant.

The nearest existing landfill is the County landfill down Kaumalapau Highway towards Kaumalapau Harbor. Public services will be provided by Lanai City police, fire and medical facilities. The existing fire station is at Fraser Avenue and Kaumalapau Highway. Currently Maui County is proposing to expand and relocate to a new police station, preferably adjacent to the fire station site. Lanai City's medical facility is the Lanai Community Hospital located at the corner of Queens and Seventh Street.

DESCRIPTION OF THE PROJECT

Single-Family: The applicant proposes to develop about 255 single family residential lots. Approximately 247 lots are proposed on 130 acres designated as Residential District (PD/L/2). Some lots will be flag lots and lot sizes will vary from 1 acre and larger lots along the wooded slopes to 1/4 acre smaller lots between the Ko'ele golf course holes. The average density will be 2 homes per acre. (Exhibit 3, 4)

An additional 8 residential lots are proposed on 8 acres designated as Multi-family District (PD-L/2). On the east side of hole 10. Single family homes are being proposed instead of town homes in order to mitigate tree loss on the sloping terrain. The average density will be 1 home per acre. (Exhibit 3, 4)

Multi-Family Town Homes: Up to 100 town homes on about 19 acres will be located in an area bounded by Iwiole Gulch and Koele Golf Course holes 10, 11, 16, 17, and 18. Should the applicant build all 100 town homes, the average density would be less than 6 town homes per acre. The applicant also proposes a mix of town homes of 1 and 2 story heights with buildings consisting of two, three, and four town homes. (Exhibit 3, 4)

Roads: The applicant proposes a 22' wide, paved loop road with grassed drainage swales, without curbs, gutters and

sidewalks as the main vehicular transportation [illegible] the development. The main entrance to this loop road will connect up with Lanai City at Queen Street. The single-family residential areas will be served by cul-de-sacs and an inner loop road that connects up with the main loop road. This main loop road will be bordered by a 5' wide meandering walkway on one side. Two special improved roads for hillside homesites are proposed.

Parks and Open Spaces

Trails and Pathways: A pedestrian walkway would be included on one side of the loop road for public use. The general public will have trail access to the Blue Screen Trail via the pedestrian walkway and the service road that leads to well No. 3. Kapano Gulch will be accessible to hikers at the southwest corner of the Project District.

Open Space: The portion of Kapano Gulch that is in the Project District area would be left as open space. Public access into this gulch would still be possible at the main entrance and southwest corner of the Project District.

Parks: Two areas designated as park sites are reserved in the southern corner of the Ko'ele Project District. Both parks are proposed as passive parks with landscaping, pathways and benches similar to the Hillside Gardens at the Ko'ele Lodge. The parks would be developed and then maintained by the applicant through a subsequent homeowners association. (Exhibit 3, 4)

REVIEWING AGENCIES

Various County, State and Federal agencies have reviewed and commented on this project. Their comments for the most part appear in the text of this report.

1. Department of Public Works/Land Use and Codes Administration - (Exhibit 6)

2. Department of Water - (Exhibit 24)

3. Department of Human Concerns - (Exhibit 7)

4. Department of Parks and Recreation - (Exhibit 22)

5. Fire Department - (Exhibit 8)

6. Police Department - have no comments at this time.

7. Department of Land & Natural Resources/Historic Preservation Division - (Exhibit 9)

8. Department of Land & Natural Resources - (Exhibit 10)

9. Department of Education/Office of Business Service - (Exhibit 11)

10. Department of Transportation/Highways Division - (Exhibit 12)

11. Department of Health - (Exhibit 13)

12. Department of Labor - (Exhibit 14)

13. Department of Accounting and General Services/Survey Division - (Exhibit 15)

14. Army Corps of Engineers - (Exhibit 16)

15. Soil Conservation Service - (Exhibit 17)

16. Maui Electric Company - (Exhibit 18)

ANALYSIS

LAND USE: According to the Lanai Community Plan the Ko'ele area is zoned as a Project District, which contains sub-districts (land uses) that include Residential, both single-family (SF) and Multi-Family (MF), Park (PK), Open Space (OS), Golf (G), Public (P), and Hotel (H) to include the Koele Lodge complex (Exhibit 3).

A table is provided below that illustrates the allowable maximum acreage by Chapter 19.71 (as amended), and allowable densities (units/acre) for MF and SF residential. These are compared with the proposed acreages and proposed densities.

LAND USE CATEGORY	ACREAGE		DENSITY	
	Allow.	Prop.	Allow.	Prop.
Single Family (SF)	*214	130.4	2.5u/a	1.85
Multi-Family (MF)	26	18.4 (MF) 7.6 (SF)	6.0u/a	5.43
Open Space	12.0	12.0		
Public	1.0	n/a		
Park	11.5	11.5		
Future SF	+/-83.6	n/a	6.0u/a	n/a
Golf Course	(Existing 332.4 Ac.)			
Hotel	(Existing 21.1 Ac.)			
Subtotal:		179.9 Ac.		
Total with Existing Ac.:	618.0 Ac.			

* Note: includes the +/-83.6 Ac in Future SF

History of the Project: The Lanai Community Plan was amended through Ordinance No. 1580 in September, 1986 to create the Koele Project District (PD-L/2, Koele) just above Lanai City. A Project District is a type of land use category that allows a flexible planning approach that includes a variety of residential housing types, public open spaces, parks and facilities in accordance with specific project programming.

The Koele Project District first major development was the Koele Lodge, a 102 room hotel on 21 acres. Final Phase III approval was granted in May, 1987. Along with the Lodge, a LUC/SUP approval was granted early 1987 for the relocation of a Hawaiian Church (Kalokalii Oka Manamalama) onto the hotel's property. Subsequent parking improvements were granted during March 1989 for the church.

In May, 1989 the Queen's Multi-family and Single-family projects were granted approvals. These were affordable rental units for plantation and hotel employees living on Lanai. Plans called for 132 town houses on 12 acres and 50 single-family homes on 16 acres. However, the project was never constructed.

The Koele Golf Course Clubhouse LUC/SUP application was approved in December, 1989. It included plans for a clubhouse, driving range, and 2 partial golf course holes in the State Rural District. The golf course was also processed at this time for Phase 1 approval, and in late 1989 the 18-hole golf course was granted Project District Phase II approval. However, only a temporary clubhouse has been built through separate SUP approval.

Other recent approved legislation concerning the Koele Project District include the following ordinances (effective August 13, 1992):

a) Ordinance No. 2138, Bill No. 35: Amending Ord. No. 1306 (1983), the Lanai Community Plan and Land Use Map, to change the Community Plan designation use map from Ag and Conservation to include adjacent parcels to the northern and eastern boundaries to the existing Koele Project District.

b) Ordinance No. 2139, Bill No. 36: Amending Title 19, Maui County Code, pertaining to PD-L/2 (Koele Project District). Amendments to Golf Course PD-L/1 are also included in the ordinance.

c) Ordinance No. 2140, Bill No. 37: Establishes Conditional Zoning in PD-L/2 by extending the area of the Koele Project District of 1986 [illegible]

The applicant now seeks approval for Project District Phase II and Planned Development Step I development of luxury residential units and related improvements in the Koele golf course vicinity.

Pending Applications: Currently under review is a request by the planning department to amend the community plan to delete subdistricts from Maps #CP201 and CP202 and to include project district descriptions in the text of the Lanai Community Plan for the Koele Project District, and to delete specific subdistricts from Land Zoning Maps #L2601, L2607, L2602, and L2608 for both the Manele and Koele Project Districts. These are community plan amendments and change in zoning requests.

Koele Subdistricts Not Included: This application does not include a 1-acre site designated Public (P) and a 83.6 acre site titled "Existing Homes and Future Development" on the applicant's preliminary site plan maps. This area is composed of existing plantation management homes and large coniferous trees.

ARCHAEOLOGICAL AND HISTORICAL: In May, 1989 three (3) archaeologists from Cultural Surveys Hawaii surveyed the Ko'ele Project District Area. At that time the majority of the land was pineapple fields, open pasture land and steep wooded slopes. There were four notable features including 3 reservoirs and the Gay's Homestead remnant. These dated to the ranching era (ca.1880-1950) on Lanai.

The DLNR/Office of Historic Preservation has determined that the project should 'have no effect' on significant historic sites. However, two conditions of approval are recommended: 1) initial grubbing and grading activities in the residential areas shall be monitored by a qualified archaeologist and a report on the monitoring submitted, and 2) an acceptable final report on the data recovery work in the golf course area shall be submitted as final verification of the full execution of the mitigation plan. (Exhibit 9).

Historical studies of the area suggest that during early pre-contact times the land was probably native forest up to Hawaiian settlements that included slash and burn clearing for agricultural and residential uses. The Hawaiians used these plateau lands for traditional dry land crops: sweet potato, gourds, sugar cane, etc. During this traditional period slash and burn methods for planting reduced forestation but crops were bountiful and area names reflect a land of lushness and plenty. Toward the end of the traditional period (ca.1778), Lanai was devastated by a raid from Hawaii's Chief Kalaniopuu. After this raid the land

became barren and the population dropped.

Population estimates around 1840 were 1200 Hawaiians. The Great Mahele of 1850's changed Hawaiian use rights to one of private ownership. This awarding of land from ocean to mountain or ahupua'a to ranking Hawaiians were sometimes ceded to the Interior Department of the government. The bulk of these lands were then leased by Walter Murray Gibson.

Gibson introduced large numbers of goats and sheep for grazing which increased erosion and forest reduction. Because of these problems the Lanai Ranch instituted reforestation measures through ranch manager Hayselden. By the early 1900's the Gibson estate was purchased by Charles Gay. He built a large 10,000SF estate for his family and began planting pineapples. The Gay's eventually gained fee simple control over most leased lands on Lanai. However by 1909 a hui of investors organized The First Lanai Co. and purchased all but 600 acres from Charles Gay. It was the Lanai Co. that brought George Munro to Lanai in 1911 as ranch manager. Over the next twenty years, Munro continued to reforest the uplands of Ko'ele and to eradicate the goat population. Meanwhile the Gay's in 1920 began pineapple cultivation on their 600 acres at Lalakoa. In 1922, James Dole through the Hawaii Pineapple Co. purchased Lanai for $1.1 million and began building Lanai City.

By 1960 the Gay's Lalakoa residence was destroyed and the homestead lot was planted with pineapple. By the late 1980's generally pineapple cultivation had been severly curtailed on Lanai. The island's current owner, Mr. David Murdock, completely closed the pineapple plantation on October 6, 1992. Current trends indicate increased tourist and resort destination developments and services replacing agriculture as the main source of economic activity.

WATER: Due to the addition of single and multi-family residential to the Koele Project District, water improvements will include a potable water system from Well Nos. 3 and 6. The potable water will be stored in the proposed half- million gallon capacity tank above the project site on Puu Nene Hill. Booster pumps installed near Well #3 will lift water to the proposed 0.5 MG tank. Pressure reducing valves will be installed as needed for safety. The Department of Water Supply, Domestic Consumption Guideline shows projected water usage at 0.2 million gallons per day.

The existing 2.0 MG tank to the south east and atop Nininiwai Hill serves Lanai city and will act as a backup system to the Ko'ele residential development. A booster

pump will be installed at the 2.0 MG tank to lift water from it to the proposed 0.5 MG tank. It is expected that this improved water system will provide adequate fire flow for the project district.

Certain sections of the existing irrigation lines that currently draw water from Well #3 and the 2MG reservior tank will be abandoned in place. The existing Lanai City reservoir will be used to store rainwater which will be pumped through the Ko'ele irrigation lines as an alternate source.

FUTURE IMPACTS OF WATER USE: A Water Use and Development Plan for Lanai was prepared for the Maui County Department of Water Supply as an update to the plan adopted in 1990. The plan has water projection demands for Lanai Island water consumption through 2010. (Exhibit 19). The State Water Commission established oversight review of the situation as a special management area. The determination was made by the Commission on March 29, 1992. The sustainable yield was determined to be 6.0mgd.

However, the Commission as a management guideline set the sustainable yield at 4.3 mgd. The 4.3 mgd number is the reference point used in the analysis of present and projected consumption. Present water consumption is 3.01 mgd. Water consumption components are (1) Lanai City grid, 1.04 mgd which includes City domestic users and the Ko'ele Hotel, (2) Ko'ele golf course, 0.49 mgd., and (3) Manele Hotel and irrigation for diversified agriculture, 1.37 mgd. The Commission made the significant observation that the data showed wide swings in standard deviation especially in the irrigation network. (Exhibit 18)

The Lanai Task Force and the WUDP developed a list of projected demands to the year 2010. The average demand for the year 2010 is 4.4 mgd excluding the 115 acres for housing and 15 acres for industrial/commercial use imposed by the LUC. It is almost with certainty that 4.3 mgd management the limit will be exceeded. In order to meet future demands the study for the 1992 WUDP set down certain recommended strategies to mitigate anticipated water consumption limits:

1) Set in place a stringent Management control system in order to place upper limits of water usage.
2) Install more meters and monitoring systems to better document habits of major users.
3) Implement dual systems of potable and non-potable sources. Options and plans of water reclamation and desalination should continue.
4) Continued analysis of hydrologic data to determine needs of brackish water for irrigation.

5) Develop and maintain a water conservation program that includes lists of less water demanding plants and shrubbery.

WATER POLLUTION: The Department of Health requires a National Pollutant Discharge Elimination System(NPDES) storm water permit when more than 5 acres of planned development and construction activity has the potential to discharge storm water into the State of Hawaii waters. The permit application should be submitted to the Director of DOH 90 days prior to construction start-up. Such a permit is required for any discharge to State waters from construction runoff, dewatering activities, groundwater remediation sites, etc. (Exhibit 13).

SEWERS: The proposed sewer system for the project will be composed of gravity sewer lines, a sewer force main, and a sewage pump station located near the 17th tee. This system will tie-in to the existing 8" diameter Lanai City sewer line at the main project entrance on Queen Street. The new projected sewage generation brought by the development is expected to be 0.1 MGD.

The Wastewater Reclamation Division of Public Works projected figures are slightly higher at).13 MGD. Current generation of waste flowing into the plant from the Lanai City area is .25 MGD. The treatment plant has an available capacity of .5 MGD. This indicates that currently the plant is utilizing 50% of its daily capacity and could accommodate the proposed 100 town-homes and 255 single family dwellings, but when the 115 acres near Waialua set for affordable housing and approximately 57 acres of commercial/industrial zoned land deeded to the State are also added, estimates show that existing plant capacity is not sufficient. These projects should not be denied access to an expanded Lanai Wastewater Treatment Plant. Based on estimates by Public Works, excluding the current residential proposals, the existing plant would not be able to handle more than 600 future homes.

The Department of Health requires the applicant to work with Maui County to assure the availability of additional treatment capacity and adequacy for the project. Non-availability of treatment capacity will not be an acceptable reason for use of any private treatment works. (Exhibit 13). The Maui County, Public Works Department recommends the following (Exhibit 6, item 8):

a) That the County cannot ensure that wastewater sewer capacity will be available for the project.

b) Provide discussion and calculations (sewer impact study) to substantiate that the existing system is adequate to serve the project.

c) A sewer impact fee may be imposed to cover any expansion and improvement costs to Lanai Wastewater Treatment Plant to accommodate additional sewage flows.

d) The developer is required to fund off-site improvements to collection and wastewater pump stations.

DRAINAGE: The proposed drainage system includes roadway swales, underground drainage pipes, manholes, and inlet and outlet structures. On portions of the site, overland or sheet flow will occur. This runoff will be routed through the system and discharged from two locations to Kapano Gulch and from one location to Iwiole Gulch. Drainage from the single-family lots located along the wooded slopes should flow toward drainage channels at the main loop road.

The use of lakes at fairways 12, 15, and 11 as retention basins, like the lake at hole 17, should be studied in order to mitigate run-offs into Iwiole, Kaiholena and Kapano gulches. Agency comments on drainage issues are stated in the Environmental Impacts section of this report.

GRADING & ROAD SYSTEMS: Major areas to be graded include the loop road system, the residential golf course lots, the town home sites, cul-de-sac roadway systems in the wooded slopes and a construction access road to the proposed 0.5 MG reservior tank. Roadways will be graded to generally follow the existing grades. The loop road will have a 22′ wide paved surface with grassed drainage swales and a meandering 5′ wide concrete pedestrian pathway. The typical right-of-way will be graded with drainage swales on the downhill side of the road.

The overall design of the road system needs to be addressed and a more rural street pattern pursued. The use of a large loop road and cul-de-sacs are common suburban elements and do not seem appropriate for Koele and the Lanai City vicinity. Likewise in order to maintain the areas historical context and rural nature, the street patterns should be based upon rural, circuitious or interconnecting routes. Street patterns found in Lanai City could also be incorporated into the site plan in particular areas that would enhance the rural character of Koele.

The proposed road design in the MF should be rearranged. The MF should have a major entry from the main road, and the main road should not cut across the MF subdivision as it is now. Street design for the MF subdivision should show rural and interconnecting street patterns where possible.

Information on the new route connecting the main road with an existing road (Ninth Ave.) at Nininiwai Hill must be submitted by the developer, in order to assess any impacts to existing homes on Ninth Avenue.

Public Works Department notes that if pavement sections are non-conforming, lane widths should be at least 10' wide in accordance with Hawaii Statewide standards. Also, if roadways will be privately owned and maintained, signing and street lights shall conform to County standards to ensure public safety. (Exhibit 6)

Street landscaping must conform to entrance sight distance requirements to insure trees/vegetation do not obstruct driver's lines of sight at intersections. (Exhibit 6, item 6).

Lots in the wooded sloping terrain area will be graded only to the extent necessary to accommodate construction of a residence and accessory uses. Lots along the wooded hillside shall preserve at least 70% of existing trees especially the native koa. Preliminary site plans with tables for lot clearing areas and tree removal summary, like that shown in Exhibit 25, shall be submitted for each zoning lot on the wooded hillside.

Town home sites will have building pads graded to allow for views onto the golf course. Mass grading will not be allowed and grading will be by sections with appropriate mitigation measures. A cartpath will be graded midway along the embankment of the adjoining drainage way.

SOLID WASTE: The applicant proposes to use the existing landfill site southwest of the airport along Kaumalapau for solid waste disposal. Public Works recommends the developer submit a solid waste management plan that would include programs addressing solid waste reduction, recycling and re-use to reduce the amounts placed in County landfills. Also alternative means of disposal of grubbed material and rock shall be utilized other than at the landfill. (Exhibit 6)

The Department of Health also recommends strong recycling efforts during construction. The use of crushed glass for road pavement (glassphalt) and compost as soil amendment, and the evaluation of on-site grading material for structural fill are such recycling efforts. As part of

the State's recycling and diversion goals of 25% by 1993 and 50% by the year 2000, it is suggested that a composting facility be set up in Koele to handle greenwaste from residences and the golf course. Such a facility can provide amendments for landscaping and maintenance of the golf course. (Exhibit 13)

ELECTRICAL, TELEPHONE, AND CABLE SERVICES: Electrical, telephone, and cable services will be underground and parallel to the project road system. Proposed power and communications will tie-in at the two existing power poles and at an overhead power line at Well #3. Above ground power equipment easements will have landscape buffers as a screen.

TRAFFIC: Department of Public Works requires off-site road and drainage improvements from the beginning of the project site to the junction of Frazer Ave. and Kaumalapau Highway based on ultimate buildout of Phase I, SF and MF units. (Exhibit 6, item 3).

A traffic impact assessment report (October 4, 1991) called Lanai City Circulation Plan recommends road improvements and controls to mitigate impacts in the residential area and improve traffic flow to a reasonable maximum. These improvements should occur at the following major intersections in Lanai City:

1. Kaumalapau Highway and Fraser Ave.:
   - add left turn lane for northbound traffic turning left onto Fraser;
   - add right turn stacking lane at Fraser for southbound traffic turning right onto Kaumalapau and install YIELD sign;
   - restripe pavement markings on both streets.

2. Kaumalapau Highway and Lanai Ave.:
   - add right turn stacking lane at Lanai Ave. for southbound traffic onto the highway and install YIELD sign;
   - restripe pavement markings along Lanai Ave.

3. Eighth Street and Lanai Ave.:
   - add right turn stacking lane at Lanai Ave. for southbound traffic turning right onto Eighth and install YIELD sign.
   - add right turn stacking lane at Eighth for eastbound traffic turning right onto Lanai Ave. and install YIELD sign;

4. Eighth Street and Fraser Ave.:
   - restripe pavement markings along Eighth St.;
   - install YIELD sign for right turn vehicles.

(see Exhibit 23, Traffic maps)

ENVIRONMENTAL IMPACTS: The development of residential lots within and adjacent to the golf course itself will not greatly affect the Koele ecosystems. These areas are currently overgrown with reeds and high grasses that were intentially set aside for such development. Greatest long term environmental impacts will occur on the wooded slopes where SF lots and infrastructure improvements are planned, along the Kapano, Kaiholena, and Iwiole gulches due to drainage run-offs, possible pollution of the water table due to chemical pesticides and fertilizers, and the use of brackish or treated wastewater effluent for irrigation purposes. (Exhibit 19, map)

DRAINAGE & EROSION: In order to mitigate siltation and run-off problems into the gulches the Department of Public Works commented that "a detailed drainage and erosion control plan be submitted for our review and approval." The plan would also need to verify that grading and runoff water from the project would not adversely affect the gulches and downstream properties. Design development grading plans should limit cut and fill at the SF wooded hillside area. Public Works also commented that a detailed drainage master plan shall be submitted to address both on-site and off-site drainage improvements based on 100 year floods. (Exhibit 6)

The Department of Army Engineering requests more detailed information also. (Exhibit 16). Drainage systems into Kapano gulch need to be studied because the gulch is an intermittent stream which is under the Army Corps of Engineers jurisdiction. Mitigative measures are needed to protect and maintain existing hiking trails (Fruit Valley).

TREE LOSS: The loss of trees along the wooded slopes and the short term effects of noise and dust during construction need to be addressed. Measures to mitigate these environmental impacts would include noise and dust abatement measures, and a conservation guideline that seeks to minimize tree loss while assuring potential home owners view lines to the golf course below. The Koele PD ordinance (Chap. 19.71, amended) states that no more than 60% of existing woodland lot area shall be cleared for development and the remaining 40% will be kept as permanent open space. However, this is a minimum standard and stricter limits are needed for this area. A tree conservation guideline should be prepared for the hillside homeowners. This guideline could

be a part of a larger covenants & restrictions guideline that address potential retaining wall heights, alternative landscaping, grading, building pads, and driveways. This would all be part of a design guideline for the wooded hillside lots.

GULCHES, RAVINES, & BUFFERS: Single family lots along Kapano Gulch must not impact open space requirements there. Section 19.71.090 of the ordinance requires that 95% of all ravines (valleys with sharply sloping walls created by intermittent stream water action) remain in permanent open space and at least 80% of all ravine buffers (areas within 100' from the top of the ravine wall) shall remain in permanent open space.

NOISE: Expected increase in ambient noise levels due to the heavy construction equipment operation can be mitigated by working at times that minimize disturbance to nearby residents. Potential dust problems from grading lots may be addressed by erecting temporary wind barriers where needed.

WATER POLLUTION: Possible pollution to the water table and aquifer can be mitigated by the use of chemical pesticides that are limited to a list of acceptable fertilizers and pesticides by a qualified expert. This list should be given to landscape architects and contractors and to residents. The list should also include organic fertilizers and pesticides as an alternative to the more intrusive, chemical type. Reclaimed, treated wastewater effluent could be used as an irrigation source for the golf course landscaping but the use of reclaimed water in the residential areas may be too prohibitive due to potential health risks to residents. The best solution may be a system based on a untreated, rainwater reservoir with back-up systems using brackish, reclaimed, and only when necessary, potable water. (Exhibit 19, map)

EXISTING VIEWS: Views of grassy fields around the golf course and along Kapano Gulch will be replaced by residential units and lawns. Trees that are naturally grouped will be added along streets and within lots to extend the appearance of woods into the project area.

Along the heavily wooded eastern hillside a number of trees will be removed to accommodate luxury homes, and related site improvements. Mitigation measures should include minimum tree loss that includes avoidance of Koa, relocation of trees exceeding a 12" dia. trunk, muted colors on walls and roofs to blend in with the surroundings and appropriate landscape screening.

SOCIO-ECONOMIC IMPACTS

SCHOOLS: The Department of Education estimates that the development of 100 MF units and 255 SF units will have an increase of enrollment of less than 15 students. This will not severly impact the existing Lanai High and Elementary School therefore the developer will not have to make a pro rata share contribution for the construction of school facilities. (See Exhibit 11)

EMPLOYMENT: Over the short term period, the project would provide employment in construction, sales and real estate related jobs, and in local retailing and services oriented businesses. District employment of long-term Lanai residents who are construction workers normally comprise a third of the construction jobs available. This could mean an additional 350 construction jobs available by 1996 to develop the Koele Residential project.

HOUSING: Similar to the Manele Golf Course EIS study, the number of working in-migrants will increase housing demand significantly. Presently, 416 new units have been built by the applicant, and an additional 115 acres have been donated to the County. The Department of Human Concerns comments that the 115 acres adjacent to the Lower Waialua SF site has not been conveyed to the County with a copy of a title search showing the property to be free and clear. When this is done, the Department will not be recommending that 50% of the proposed units be provided as affordable units. (Exhibit 7)

The developer would need to offset costs incurred due to the possible expansion of the existing sewer treatment plant to accommodate some 500 or more homes that the 115 acres could yield.

The Department of Land and Natural Resources through the Division of Land Management requests the application be approved only by providing a percentage of subdivision lots to "gap group" at cost subject to a 10 year buy back and a separate site for commercial/industrial property provided to the State per LUC directive. (Exhibit 10)

POPULATION: As a result of both the Koele and Manele Resort Developments, more visitors and resort and long-term construction residents will come to Lanai. The average resort population of the island may increase to 2,000 by the year 2,001. The Koele residential and golf course improvements may acquire an additional 200 workers when completed. The Manele EIS estimates the increase of in-migrants could increase Lanai's population by 20%-50% by 2001. Total resident population could increase to 2,000 and

Lanai's de facto population could exceed 4,000 to include part time residents and visitors. This type of population increase over a short period of time makes affordable housing for rent or ownership a major issue.

FISCAL IMPACTS: Fiscal impacts based upon resident and de facto population for both Manele and Koele are great for Maui County and the State of Hawaii. County revenues from building and planning permits, real property taxes, the 2% transient accommodations tax revenues (TAT), and other County fees could have a cumulative impact (net impact) of an estimated given of nearly $25 to $28 million from 1991 to 2010.

The State revenues arising from taxes via construction activities, resort resident income tax, 5% share of TAT revenues, and taxes on visitor spending could amount to an estimated gain of somewhere between $50 and $100 million.

SOCIAL PRESSURES: Community anxiety is great because of the change in commitment by Lanai's sole major land-owner to base the island's economy totally on tourism and resort development instead of pineapple cultivation or other agricultural related products. Displaced Dole pineapple workers, lack of affordable housing and lack of a middle class appear as social backlashes, when a major shift in employment security is created.

Certain mitigative measures including the revitalizing and expansion of Lanai City's commercial area via the Country-Town design guidelines, conveyance of land to the State for commercial and industrial parks, and the creation of low-lease, rent to own Agricultural park land, should continue. Lanai residents should have first opportunity of reasonable lease/ownership agreements or training for employment and placement within these developing economic opportunities. Castle and Cooke initiatives to diversify ownership and strengthen independent businesses on Lanai should also continue.

OTHER GOVERNMENTAL APPROVALS

Upon Phase II project district approval, the applicant shall submit a Phase III final site plan of the Koele Project District to the planning director. Additional information may be submitted to show that the plan conforms in all respects to the Phase II approved preliminary site plan.

Upon Step I Planned Development approval, the applicant shall prepare plans and documents in accordance with title

18. These will be reviewed and approved by the Planning Department.

Plans shall include a unified site and building program, construction plans, and site plans showing grading, landscaping, protected open spaces, location of each building and structure; a floor plan of each building and structure; and the financing and timing program. The appropriate commission shall review the unified site plan and building program, and upon approval the owner may proceed to finalize the planned development.

TESTIMONY

As of this date the Planning Department has not received any phone calls or letters either for or against the project development, since the submittal of the application on August 28, 1992.

CONCLUSION

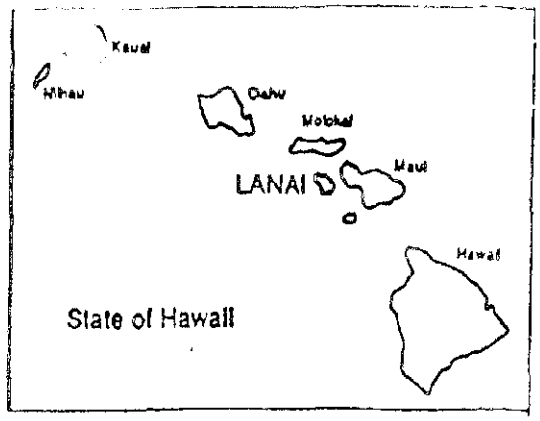
The planning department finds the applicant in compliance with Chapter 19.71, Maui County code based upon a comparison of density requirements and the proposals for development shown in the various site plans. Potential environmental, socioeconomic, and aesthetic impacts have been addressed by the applicant.

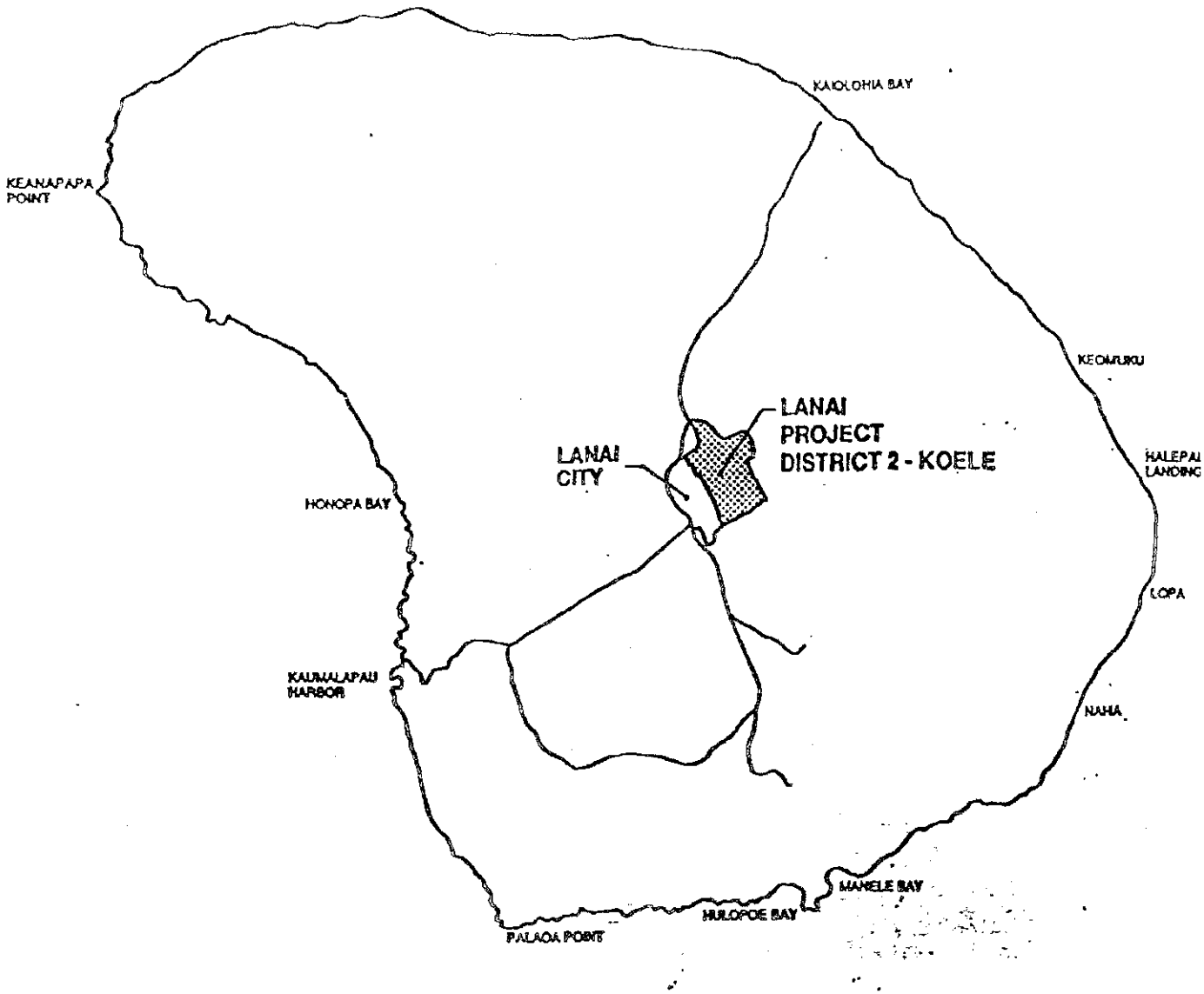
The planning department also finds the applicant in compliance with Chapter 19.32, planned developments, based upon standards of developments for overall density requirements in residential and duplex subdistricts, with the exception of the MF homes on the right of the main loop road. Preliminary plans indicate all major elements for residential development were addressed by various studies.

Open space requirements (20% minimum) within the residential tract need to be addressed during Step II submittal. And special conditions may be placed on the Phase II and Step I preliminary site plan for approval.

APPROVED:

BRIAN MISKAE
Planning Director





NORTH

SCALE IN MILES 0 1 2 3

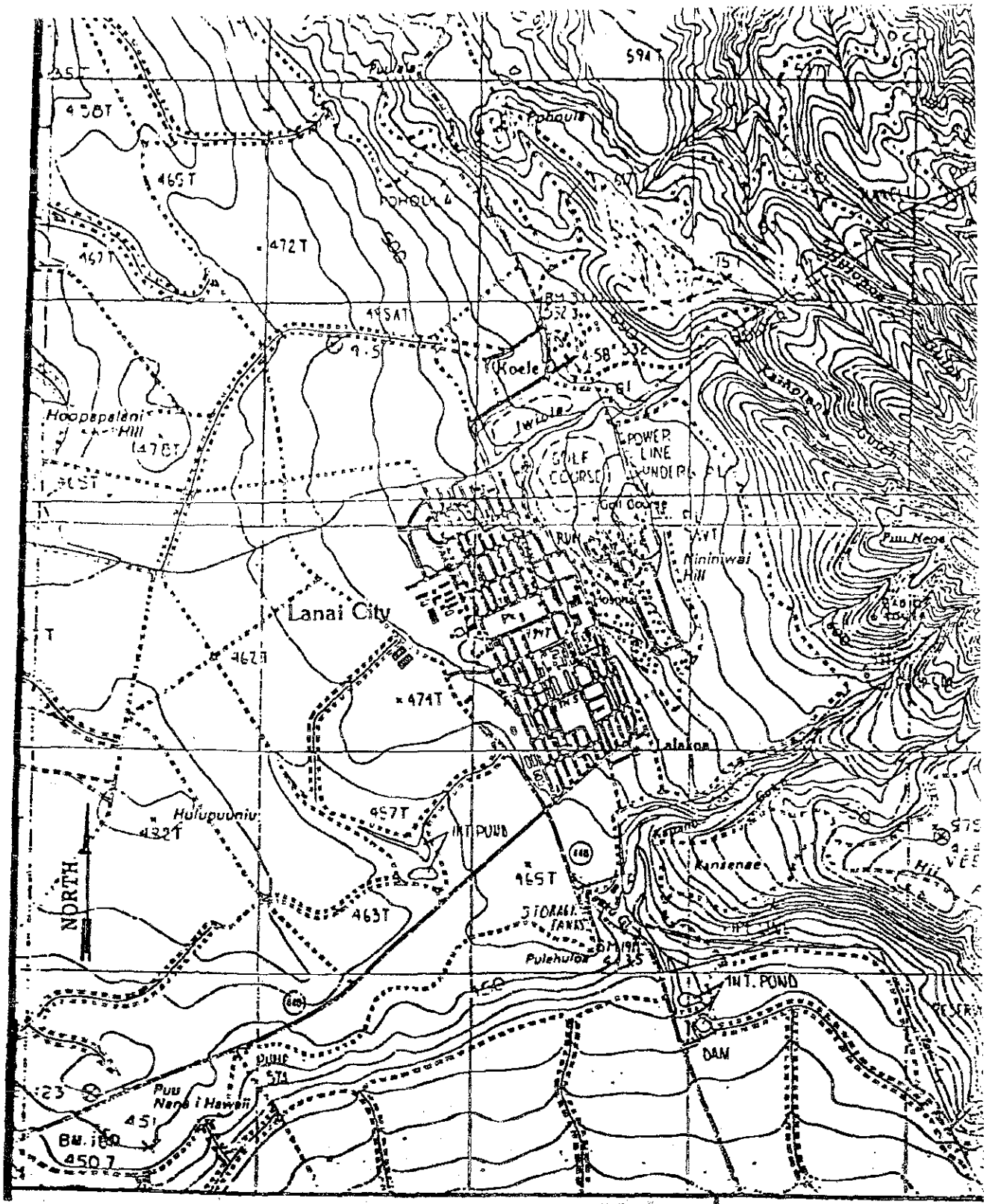
V.1-1

KOELE PROJECT DISTRICT

REGIONAL MAP

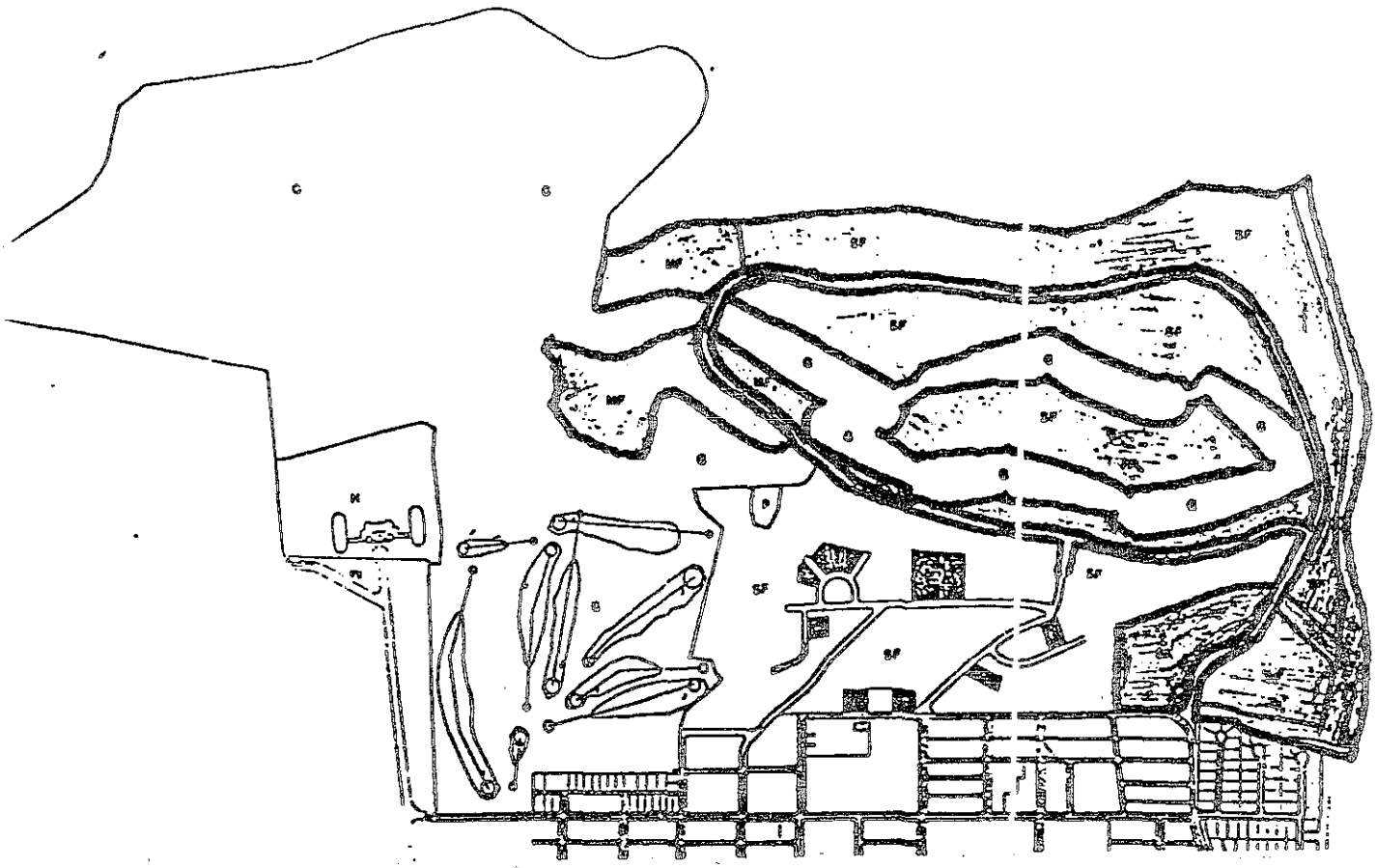
Prepared for: Lanai Co., Inc.
By: Belt Collins & Associates
Date: August 1982

EXHIBIT 1



TOPOGRAPHICAL LOCATION MAP

EXHIBIT 2



	LAND USE		ACRES
*	H	Hotel	21.1 ac.
	MF	Residential: Multi Family	26.0 ac.
	SF	Residential: Single Family	214.0 ac.
	PK	Park	11.5 ac.
	OS	Open Space	12.0 ac.
*	G	Golf	332.4 ac.
	P	Public	1.0 ac.
		Roadway (Major collectors only)	14.0 ac.
		Project District Total	632.0 ac.
		Project District Boundary	
		Man Castle & Cooke Owned Prop. 7. Ac.	

0 400 800

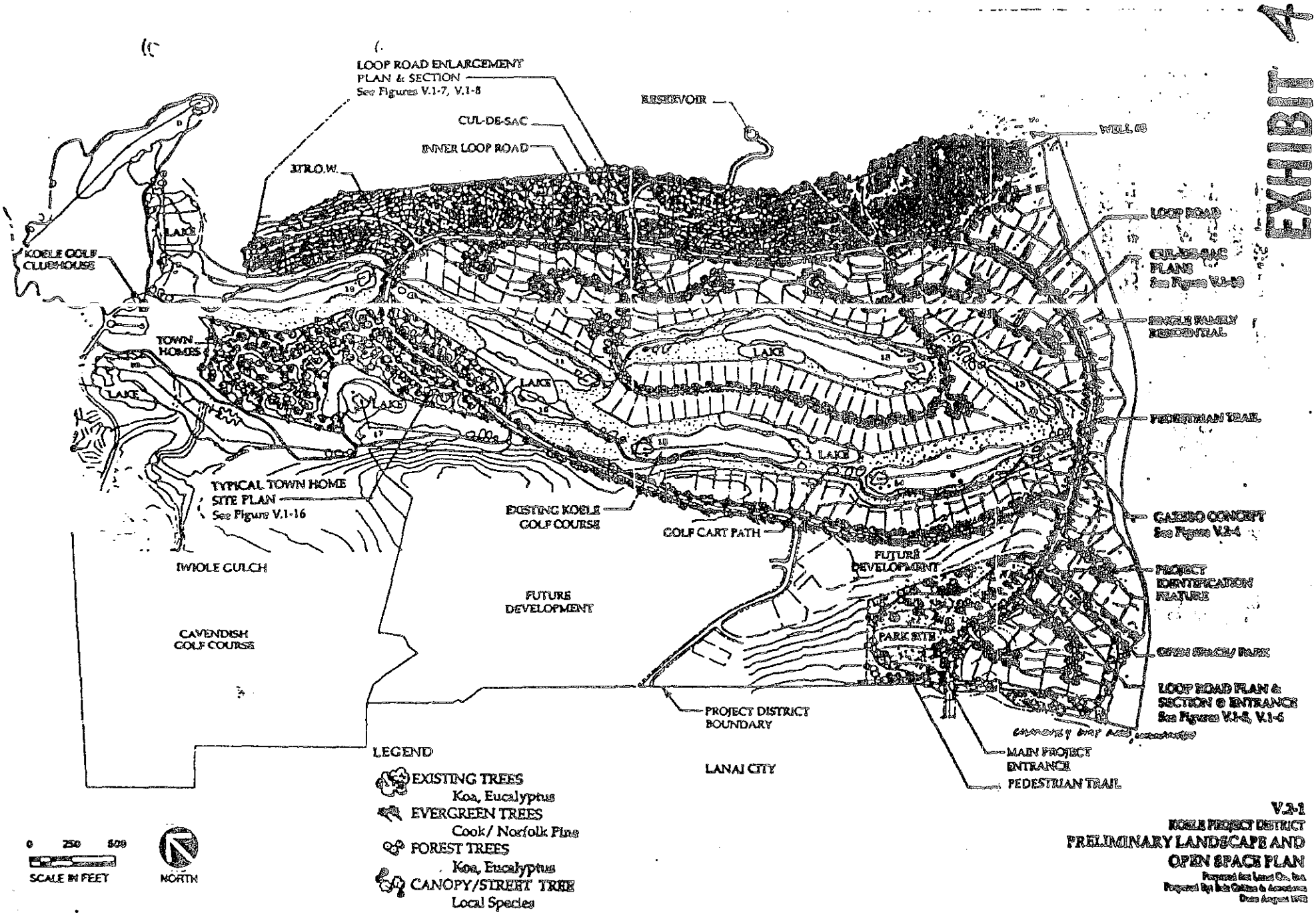
SCALE IN FEET

NORTH

* PREVIOUSLY APPROVED

EXHIBIT 3

EXHIBIT 4



V.2-1

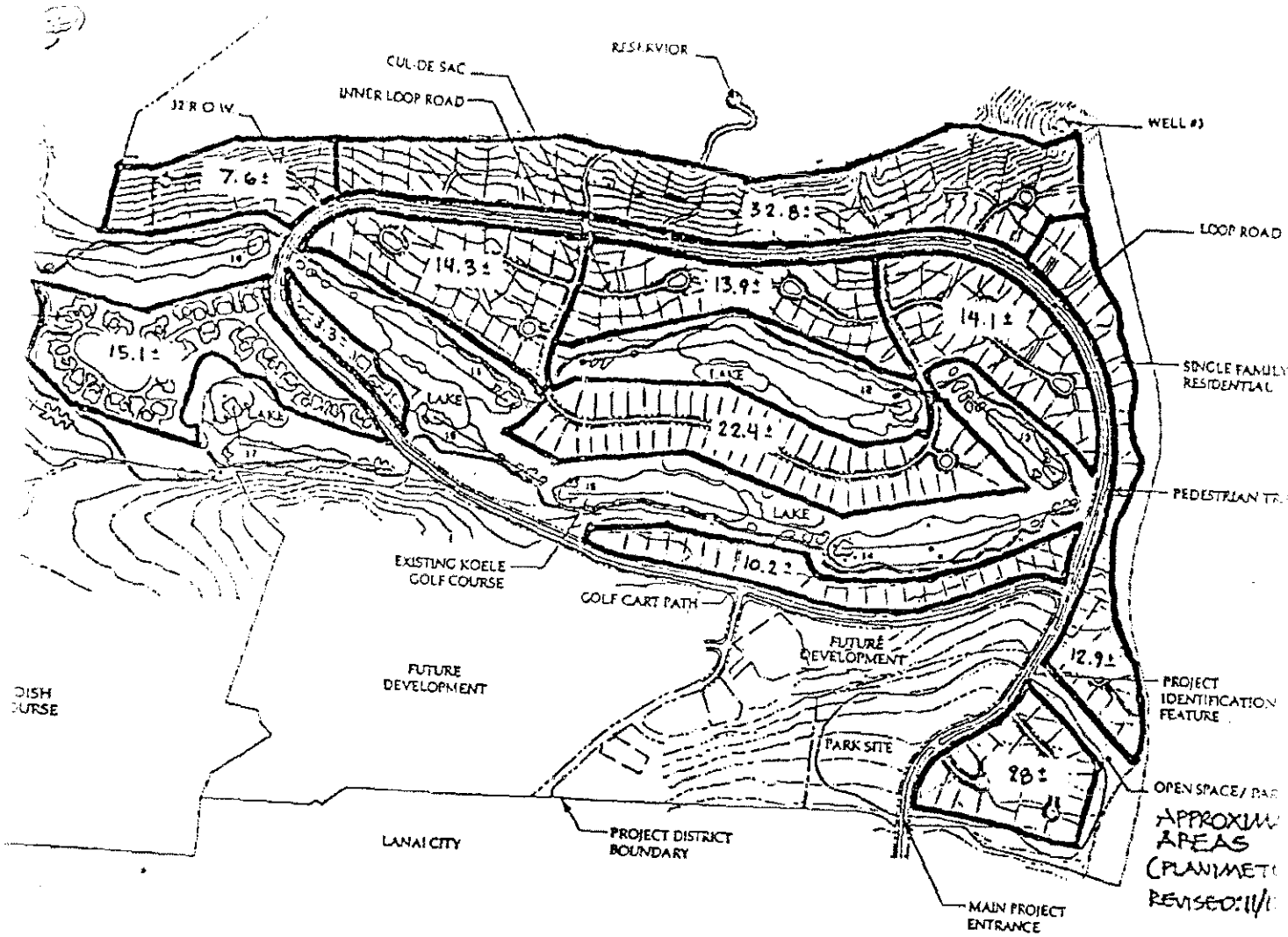
KOELE PROJECT DISTRICT

PRELIMINARY LANDSCAPE AND OPEN SPACE PLAN

Prepared for Lanai Co., Inc.

Prepared by [illegible]

[illegible]



KEOLE RESIDENTIAL DENSITY-11/12/92

MULTIFAMILY	Acres	Units	Density
•Lower Area	18.4	100	5.43
SINGLE FAMILY	Acres	Units	Density
•Upper Area (MF)	7.6	7	0.92
•Upper Area	32.8	38	1.16
•Gulch Area	12.9	26	2.02
•Entry Area	9.8	21	2.14
•Above G.C.	14.3	26	1.82
•Above G.C.	13.9	27	1.94
•Above G.C.	14.1	29	2.06
•In Golf Course	22.4	56	2.50
•Below G.C.	10.2	25	2.45
Total Single. Family	138	255	1.85
TOTAL	156.4	355	2.27

EXHIBIT 5

Mayor
GEORGE N. KAYA
Director
CHARLES JENCKS
Deputy Director

EASSIE MILLER, P.E.
Wastewater Reclamation Division
RALPH NAGAMINE, P.E.
Engineering Division
BRIAN HASHIRO, P.E.
Solid Waste Division
MELVIN HIPOLITO
Highways Division

COUNTY OF MAUI
DEPARTMENT OF PUBLIC WORKS
LAND USE AND CODES ADMINISTRATION
250 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793

'92 OCT 27 A10:46

October 26, 1992

MEMO TO: Brian Miskae, Planning Director

F R O M: George N. Kaya, Director of Public Works

SUBJECT: Applications for Project District, Phase II and Planned Development, Phase I for Proposed Residential Uses at Koele, Lanai, TMK: 4-9-01:21,24,25,27,30
4-9-02:2
4-9-18:1,2 (92/PH2-4, 92/PD1-3)

We have reviewed the above request and offer the following comments:

1. That a detailed drainage and erosion control plan including, but not limited to, hydrologic and hydraulic calculations, scheme for controlling erosion and disposal of runoff water, and an analysis of the soil loss using the HESL erosion formula, be submitted for our review and approval. The plan shall provide verification that the grading and runoff water generated by the project will not have an adverse effect on the adjacent and downstream properties.

2. That each intersection be checked before overall roadway alignments are approved to ensure that the entrance sight distances will be adequate for the assumed design speed. The horizontal alignment and/or vertical profile of the roadways must not be designed to cause sight distance problems.

3. That based on ultimate buildout of Phase I of 100 town-house units and 255 single family units, off-site road/drainage improvements are required from the beginning of project site to the junction of Frazer Avenue and Kaumalapau Highway.

4. That if pavement sections will not conform with subdivision standards, lane widths should be at least 10' wide in accordance with the Hawaii Statewide Uniform Design Manual for Streets and Highways.

EXHIBIT 6

5. That detailed drainage master plans shall be submitted to address "on-site" and "off-site" drainage improvements based on 100 year design floods.

6. That the civil consultant must inform the landscape architect of entrance sight distance requirements to insure that trees and/or vegetation do not obstruct drivers lines of sight at intersections.

7. That if roadways are to remain privately owned and maintained, signing and street lights shall conform to County standards. Sign plate sizes, height, placement, color, and reflective properties shall conform to the requirements of the Manual on Uniform Traffic Control Devices so public safety is not compromised.

8. a. That the County cannot ensure that wastewater sewer capacity will be available for the project.

   b. Provide discussion and calculations (sewer impact study) to substantiate that the existing wastewater system is adequate to serve this project.

   c. A fee may be imposed to cover costs to expand or improve the Lanai Wastewater Treatment Plant to accommodate the additional sewage flows.

   d. The developer is required to fund off-site improvements to collection system and wastewater pump stations.

   The developer is requested to contact the Wastewater Reclamation Division for additional information.

9. That the developer shall submit a solid waste management plan to include the following:

   a. Solid waste reduction, re-use and recycling programs to reduce the amount of solid waste to be disposed of at the County landfills.

   b. All yard debris shall be composted and re-used on their landscape plantings.

   c. Alternative means of disposal of grubbed material and rock shall be utilized other than disposed of at the County landfills.

EXHIBIT 6

For additional information, the developer is requested to contact the Solid Waste Division.

RMN/FC/sn
(1035f/p24,25)

xc: Engineering Division
Wastewater Reclamation Division
Solid Waste Division

EXHIBIT 6

DEPARTMENT OF
HUMAN CONCERNS
COUNTY OF MAUI

LINDA CROCKETT LINGLE
Mayor
STEPHANIE AVEIRO
Director
HENRY OLIVA
Deputy Director

200 SOUTH HIGH STREET, WAILUKU, HAWAII 96793

(808) 243-7805

'92 OCT 20 P12:54

M E M O R A N D U M

DEPT OF PLANNING

Deputy Dir.	☐ Assign
Secretary	☐ Push
Current Div.	☑ See Me
Long Range	☐ Comments
Energy Div.	☐ Draft
Admin.	☐ Handle
GERRY	☑ File
	☐ FYI
Copy to:	☐ Circulate
	Recycle
Today's date	10/20/92
Date Due	
By	

TO: GERALD UNABIA, Planner

VIA: BRIAN MISKAE, Director of Planning

FROM: STEPHANIE AVEIRO, Director of Human Concerns

DATE: OCTOBER 19, 1992

SUBJECT: APPLICATIONS FOR PROJECT DISTRICT, PHASE II AND PLANNED DEVELOPMENT, PHASE I
PROPOSED RESIDENTIAL USES AT KOELE, LANAI

We have reviewed Mr. Gerald Unabia's September 25, 1992 transmittal and enclosure regarding Lanai Company, Inc.'s application for Project District Phase II and Planned Development, Phase I Proposed Residential Uses at Koele, and would like to offer the following comments:

1. Pursuant to Condition No. 2 of Ordinance 2140, To Establish Zoning (Conditional Zoning) in PD-L/2 (Koele) Project District for Property Situated at Koele, Lanai, Hawaii, it is stated that the applicant shall donate in fee simple absolute at no cost and free and clear of all mortgage and lien encumbrances, 115 acres of land adjacent to the Lower Waialua Single Family site to the County. We would like to know when the donation is to take place.

2. Prior to the applicant donating the 115 acres of land to the County, require the applicant to provide us with a copy of a title search showing that the property is free and clear of all mortgage and lien encumbrances.

3. The Department of Human Concerns will not be recommending that 50% of this development of 255 single family lots and 100 town homes be provided as affordable units if the donation of the 115 acres of land is being made to satisfy this requirement.

If you have any questions regarding this matter, please call Deputy Director Henry Oliva at extension 7805.

** ** **

HO:kkw

EXHIBIT 7

RONALD DEMELLO
DEPUTY CHIEF

COUNTY OF MAUI
DEPARTMENT OF FIRE CONTROL
WAILUKU, MAUI, HAWAII 96793

'92 OCT 19 P4:02

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Secretary	☐	Rush
Current Div.	☐	See Me
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		Recycle

Today's date 10/19/92
Date Due
By

DATE: October 19, 1992

MEMO TO: Gerald Unabia, Planner

FROM: Michael R. Cummings, Lieutenant
Fire Prevention Bureau, Plans Review

VIA:

SUBJECT: Koele Resort
92/ PH2-004 and 92/ PD1-003

Thank you for the opportunity to review and comment on the above project request. Please be informed that we have no objections to the applicants request at this time.

EXHIBIT 8

JOHN WAIHEE
GOVERNOR OF HAWAII

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
STATE HISTORIC PRESERVATION DIVISION
33 SOUTH KING STREET, 8TH FLOOR
HONOLULU, HAWAII 96813

'92 OCT 13 P3:08

October 5, 1992

LOG NO.: 6406
DOC NO.: 2534a

Mr. Brian Miskae, Director
Department of Planning
County of Maui
250 South High Street
Wailuku, Hawaii 96793

Dear Mr. Miskae:

SUBJECT: Historic Preservation Review of the Project District Development Phase II and Planned Development Applications for the Koele Resort
Koele, Island of Lanai
TMK: 4-9-01: 21, 24, 25, 27 & 30; 4-9-02: 2; 4-9-18: 1 & 2

Thank you for the opportunity to comment on these applications. The applicant, Lanai Resort Partners, proposes to develop single family and town home residences plus roads and utility systems, accessory buildings and other related improvements.

Our records indicate that we have previously reviewed this proposed project for the Lanai Community Plan Amendment in 1990. An archaeological survey conducted on the project area identified no significant historic sites. Based on this negative finding, we determined that the proposed project will have "no effect" on significant historic sites. We recommended three conditions and the applicant has complied with one -- submission of the final report on the survey of the residential area. If these applications are approved, we recommend that the following conditions be attached to the approval:

1) A qualified archaeologist shall monitor the initial grubbing and grading activities in the residential areas. A report on the monitoring shall be submitted to the State Historic Preservation Division.

EXHIBIT 9

JOHN WAIHEE
GOVERNOR OF HAWAII

WILLIAM W. PATY, CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES

DEPUTIES
JOHN P. KEPPELER, II
DONA L. HANAIKE

AQUACULTURE DEVELOPMENT PROGRAM
AQUATIC RESOURCES
CONSERVATION AND ENVIRONMENTAL AFFAIRS
CONSERVATION AND RESOURCES ENFORCEMENT
CONVEYANCES
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION PROGRAM
LAND MANAGEMENT
STATE PARKS
WATER AND LAND DEVELOPMENT

'92 OCT 30 P2:58

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
P.O. BOX 621
HONOLULU, HAWAII 96809

REF:OCEA:KCK

OCT 29 1992

FILE NO.: 93-190
DOC. ID.: 1624

The Honorable Brian K. Miskae, Director
Department of Planning
County of Maui
200 South High Street
Wailuku, Maui, Hawaii 96793

Dear Mr. Miskae:

Subject: Koele Resort, Lanai, Maui, TMK: Various

Thank you for giving our Department the opportunity to comment on this matter. We have reviewed the materials you submitted and have the following comments.

The Division of Land Management requests that the application either be held in abeyance or approved subject to: 1) applicant concluding with the State site location and fee gratis conveyance of commercial/industrial property per LUC directive; and 2) residential subdivision provide a percentage of lots to "gap group" at cost subject to 10 year buy back & principle domicile.

In addition, the Division of Historic Preservation will respond to the County in a separate letter.

Thank you for your cooperation in this matter. Please feel free to call Sam Lemmo at our Office of Conservation and Environmental Affairs, at 587-0377, should you have any questions.

Very truly yours,

WILLIAM W. PATY

DEPT OF PLANNING

Deputy Dir. / Assign
Secretary / Rush
Current Div. / See Me
Long Range / Comments
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Today's date 11/4/92

EXHIBIT 10

2) A copy of an acceptable final report on the data recovery work in the golf course area shall be submitted to the State Historic Preservation Division as final verification of the full execution of the mitigation plan.

Although the second condition refers to the golf course project, the developer has not complied with this condition since it was first recommended for the project district approval.

Should you have any questions about these comments, please contact Annie Griffin at 587-0013.

Sincerely,

DON HIBBARD, Administrator
State Historic Preservation Division

AG:aal

STATE OF HAWAII
DEPARTMENT OF EDUCATION
P. O. BOX 2360
HONOLULU, HAWAII 96804

'92 OCT 29 P3:08

DEPT OF ED

October 15, 1992

Mr. Brian Miskae
Planning Director
Maui Planning Department
250 South High Street
Wailuku, Hawaii 96793

Dear Mr. Miskae:

SUBJECT: Koele Resort
I.D. No. 92/PH2-004 & 92/PD1-003
TMK: 4-9-001: 021, 24, 25, 27 & 30;
4-9-02: 002; and 4-9-18: 1 & 2

Our review of the subject application indicates that the proposed development of 100 town-home units and 255 single-family units will have the following enrollment impact on Lanai High and Elementary School:

School	Grades	Projected Students
Lanai High and Elementary	K-6	7
	7-8	3
	9-12	3

Lanai High and Elementary School should be able to accommodate the students generated from this development.

EXHIBIT 11

Since the enrollment impact is less than 15 students, the Department of Education will not request that the County require the developer to make a pro rata share contribution for the construction of school facilities.

Should there be any questions, please call the Facilities Branch at 737-4743.

Sincerely,

Charles T. Toguchi
Superintendent

CTT:hy

cc: A. Suga
L. Lindsey

JOHN WAIHEE
GOVERNOR

DEPT OF PLANNING

Deputy Dir.	☐	Assign	☐
Secretary	☐	Rush	☐
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Today's date 11/7/92
Date Due _____
By 3

REX D. JOHNSON
DIRECTOR

DEPUTY DIRECTORS
JOYCE T. OMINE
AL PANG
JEANNE K. SCHULTZ
CALVIN M. TSUDA

IN REPLY REFER TO:

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

'92 NOV -5 A9:26

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October 30, 1992

HWY-PS
2.4412

Mr. Brian Miskae
Director
Planning Department
County of Maui
200 South High Street
Wailuku, Hawaii 96793

Dear Mr. Miskae:

Koele Residential Applications
TMK: 4-9-01, 4-9-02, 4-9-18
Total Acreage: 632 Acres
Lanai City, Lanai

Thank you for your transmittal of September 17, 1992, requesting our review of the residential applications for a 632-acre planned development in East Lanai City, Lanai.

A traffic impact report should be submitted for our review and approval.

Sincerely,

Rex D. Johnson
Director of Transportation

EXHIBIT 12

JOHN WAIHEE
GOVERNOR OF HAWAII

DEPT OF PLANNING

Deputy Dir.	☐	Assign	☐
Secretary	☐	Rush	☐
Current Div.	☐	See Me	☐
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		Recycle	☐

Today's date 10/21/92
Date Due 2
By

JOHN C. LEWIN, M.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. BOX 3378
HONOLULU, HAWAII 96801

'92 OCT 28 P1:43

DEPT OF PLANNING

In reply, please refer to:

October 21, 1992

92-363/epo

Mr. Brian Miskae, Planning Director
Maui Planning Department
250 S. High street
Wailuku, Maui, Hawaii 96793

Dear Mr. Miskae:

Subject: Koele Residential Applications
Project District Development Phase II
Planned Development
TMK: 4-9-001: 021, 024, 025, 027, and 030
TMK: 4-9-002: 002
TMK: 4-9-018: 001 and 002

Thank you for allowing us to review and comment on the subject project. We have the following comments to offer:

Wastewater

It has been determined that the subject project is located within the County sewer service system. As the area is sewered, we have no objections to the proposed district development Phase II planned development, provided that the project is connected to the public sewers.

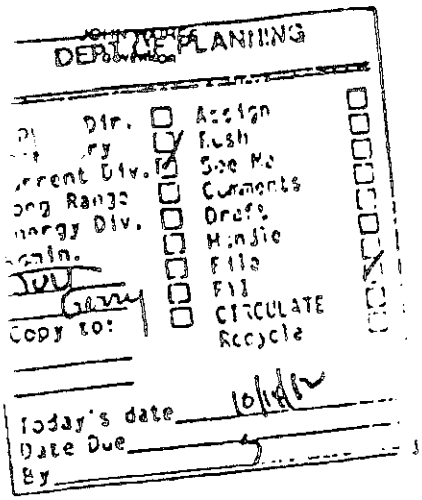
The developer should work closely with the County to assure the availability of additional treatment capacity and adequacy for the project. Non-availability of treatment capacity will not be an acceptable justification for use of any private treatment works.

If you should have any questions, please contact Ms. Lori Kajiwara at 586-4290.

Water Pollution

For any construction activity that may result in the discharge of storm water into waters of the State, and involves the clearing, grading and excavation of five (5) acres or more of total planned development, a National Pollutant Discharge Elimination System (NPDES) storm water permit is required from the DOH. The permit application should be submitted to the Director at least 90 days prior to the commencement of construction. An NPDES permit is required for any discharge to waters of the State including: construction runoff, dewatering activities, hydrotesting water from new water lines or storage tanks, groundwater remediations sites, and cooling water discharges from air conditioning units.

EXHIBIT 12



STATE OF HAWAII

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

830 PUNCHBOWL STREET
HONOLULU, HAWAII 96813

'92 OCT 13 P3:22

KEITH W. AHUE
Director

KANANI HOLT
Deputy Director

October 9, 1992

Mr. Brian Miskae
Planning Director
Maui Planning Department
250 South High Street
Wailuku, Hawaii 96793

Dear Mr. Miskae:

Thank you for the opportunity to offer our comments on the Koele Residential Applications for the Project District Development, Phase II and the Planned Development, Phase I.

We have reviewed the subject matter and, at this date, have no additional comments to offer.

Sincerely,

Keith W. Ahue
Director

EXHIBIT 14

If you should have any questions on this matter, please contact Mr. Denis Lau of the Clean Water Branch at 586-4309.

Solid Waste

The Koele Residential Application discussion of infrastructure indicates that the solid waste generated by the project will be disposed of at the new Lanai landfill or at an interim site. There is no discussion of the expected volumes of waste to be generated by the development, the time frame in which these generators will "come on line", nor their impacts on the proposed new landfill. A residential development of this size on Lanai will increase the generation of solid waste by thirty to sixty percent. This increased burden on the infrastructure of the island warrants serious commitment to mitigating measures.

As the proposed landfill will actually be an Integrated Waste Management Facility, targeting recycling and composting as first priorities for waste management, we strongly recommend that the developers incorporate waste minimization measures during construction, as well as providing sufficient space within the multi-family units and within the development at large for collection of recyclable materials. In order to meet the State mandated recycling and diversion goals of twenty-five percent (25%) by 1993 and fifty percent (50%) by the year 2000, Maui County will be aggressively supporting and implementing recycling efforts. Similarly, we suggest the Koele project include a composting facility to handle the greenwaste generated by the residences and the golf course, as it is probable that Maui County will be banning greenwaste from the landfill in the future. A composting facility can provide valuable soil amendments for landscaping and maintenance of the golf course, and will offer an alternative disposal method for greenwaste in the future.

The developer should also make use of secondary resources whenever possible during construction, such as crushed glass for road paving (glassphalt) and compost as a soil amendment.

If you should have any further questions, please call Ms. Carrie McCabe of the Office of Solid Waste Management at 586-4243.

Very truly yours,

JOHN C. LEWIN, M.D.
Director of Health

c: Wastewater Branch
Clean Water Branch
Office of Solid Waste Management
Maui District Health Office (D. Nakagawa)

JOHN WAIHEE
GOVERNOR

RUSSEL B. NAGATA
COMPTROLLER

'92 SEP 30 A11:21

DEPT OF PLANNING
COUNTY OF MAUI
RECEIVED

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
SURVEY DIVISION
P. O. BOX 119
HONOLULU, HAWAII 96810

FILE NO. _____

September 29, 1992

TRANSMITTAL

TO: Mr. Brian Miskae, Planning Director

ATTN.: Mr. Gerald Unabia

SUBJECT: I. D. No. 92/PH2-004 & 92/PD1-003
TMK: 4-9-0011:021, 24, 25, 27 & 30; 4-9-02:002; and 4-9-18:1 & 2
Project Name: Koele Resort
Applicant: Lanai Resort Partners

REMARKS:

The subject proposal has been reviewed and confirmed that no Government Survey Triangulation Stations and Benchmarks are affected. Survey has no objections to the proposed project.

PAUL T. NUHA
State Land Surveyor

EXHIBIT 15

DEPARTMENT OF THE ARMY

U. S. ARMY ENGINEER DISTRICT, HONOLULU
BUILDING 230
FT. SHAFTER, HAWAII 96858-5440

REPLY TO ATTENTION OF:

October 16, 1992

'92 OCT 19 P3:08

Planning Division

RECEIVED

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Deputy Dir.	☐	Assign
Secretary	☐	Rush
Current Div.	☑	See Me
Long Range	☐	Comments
Energy Div.	☐	Draft
Admin.	☐	Handle
CS	☐	File
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		Recycle

Today's date 10/19/92
Date Due
by

Mr. Brian Miskae, Planning Director
Maui Planning Department
250 South High Street
Wailuku, Maui, Hawaii 96793

Dear Mr. Miskae:

Thank you for the opportunity to review and comment on the Application and Report for Koele Residential Development, Lanai City, Lanai (TMK 4-9-1: 24, 25, 27, & 30; 4-9-2: por. 1; 4-9-18: 1, 2). The following comments are provided pursuant to Corps of Engineers authorities to disseminate flood hazard information under the Flood Control Act of 1960 and to issue Department of the Army (DA) permits under the Clean Water Act; the Rivers and Harbors Act of 1899; and the Marine Protection, Research and Sanctuaries Act.

a. A determination for a Department of the Army (DA) permit cannot be made at this time. The applicant needs to provide more detailed information regarding the drainage system in which runoff will be discharged into Kapano Gulch. The Kapano Gulch is an intermittent stream which is under the U.S. Army Corps of Engineers' (COE) jurisdiction. The applicant should call COE Operations Division at 438-9258 for more information.

b. The Federal Emergency Management Agency has not conducted a flood insurance study for the island of Lanai.

Sincerely,

C. Fujii

Thomas M. Ushijima, P.E.
Acting Director
of Engineering

EXHIBIT 16

UNITED STATES
DEPARTMENT OF
AGRICULTURE

SOIL
CONSERVATION
SERVICE

P. O. BOX 376
KAUNAKAKAI, HI
96748

92 NOV 30 P12:01

11/24/92

Maui County Planning Department
250 S. High Street
Wailuku, HI 96793

Dear Mr. Unabia,

I have reviewed the submitted Subject: Koele Resort, Phase II, Residential project ID # 92/PH2-004 and 92/PD1-003 as you have requested. I have the following comments:

1. Solid Waste Management

The Soil Conservation Service has the technical knowledge and soil limitation information necessary to advise upon the logical site selections for sanitary landfills that will provide the best protection to the groundwater resources. I suggest that SCS be contacted to determine the best sanitary landfill sites before construction begins. Presently SCS is not being consulted about sanitary landfills as is the case on Molokai.

2. Sedimentation and Erosion Control

There is not an Erosion Control Plan submitted in the Project Application, only general comments about ground cover, drainage and grading. A comprehensive Erosion Control Plan should be submitted to this office before construction begins.

These are my only comments at this time. This office reserves the right to make further comments upon the completion of the Erosion Control Plan.

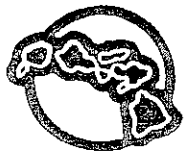
Sincerely,

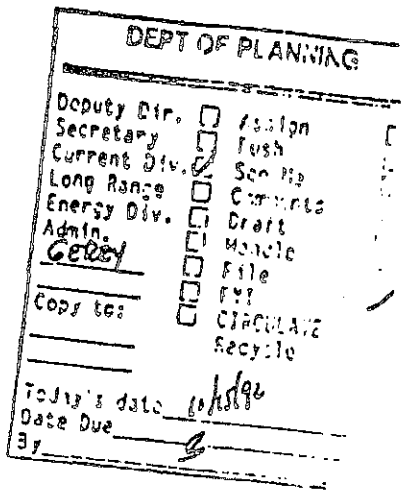
Jerry L. Thompson

Jerry L. Thompson
District Conservationist

cc: Larry Yamamoto, SCS State Resource Conservationist
Molokai-Lanai Soil and Water Conservation District

EXHIBIT 17





'92 OCT 14 P3:52

DEPT OF PLANNING
COUNTY OF MAUI
RECEIVED

October 8, 1992

Mr. Gerald Unabia
County of Maui
Planning Department
250 S. High Street
Wailuku, HI 96793

Dear Mr. Unabia:

Subject: Koele Resort
I.D. No. 92-PH2-004 and 92-PD1-003
TMK: 4-9-001:21, 24, 25, 27 & 30
4-9-02:002; 4-9-18:1 & 2, Lanai

We have reviewed subject project and have no objections to the proposed project.

Sincerely,

Wayne K Miyasaki

Wayne K. Miyasaki
Distribution Engineering Supervisor

WKM:rt

EXHIBIT 18

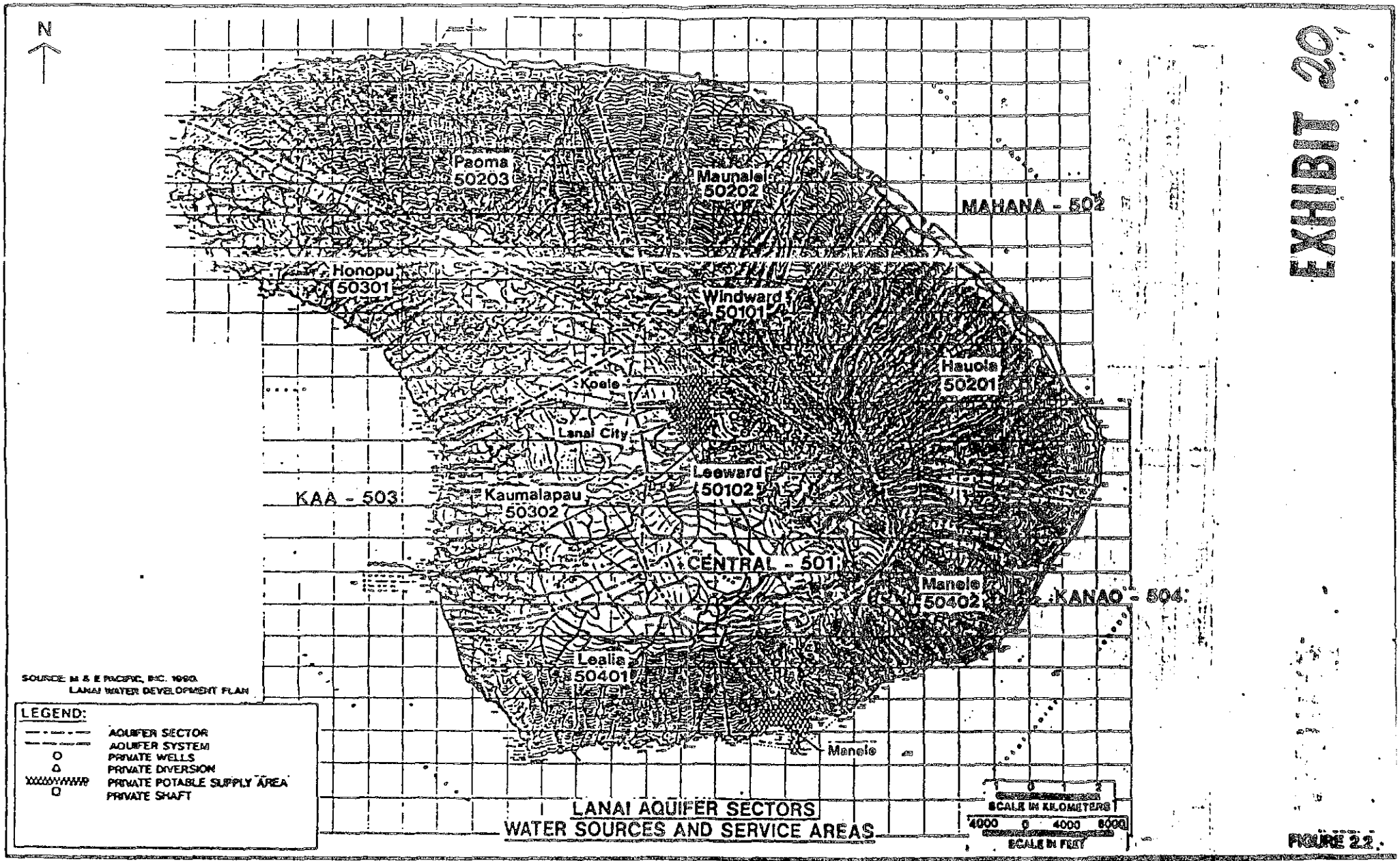
Table 3 gives a project listing by average consumption anticipated. Figure 4 shows graphically the precision of the projected average demand for 2010.

Table 3.

Projected Water Demand for the Year 2010.

POTENTIAL PROJECTS	ACRES	UNITS	gpd per unit	REMARKS- STATUS	2010 Potable mgd	2010 non Potable mgd
Olopua Woods	23.458	120	380	On-going project	0.046	
Future SFR	113.25	510	380	4.5 units/ac	0.194	
Future Public Housing	30	300	380	10 units/ac	0.114	
DHHL Housing Project	50	11	380	4.5 units/ac	0.004	
County Affordable Housing	15	150	300	10 units/ac	0.045	
Commercial	18		4000	No definite plans	0.072	
Industrial	39		6000	County standard	0.234	
Kaumalapau Harbor				Data from DOT	0.02	
Lanai Airport	509			Data from DOT	0.1	
Manele Hotel II	25	100	350	Future addition	0.035	
Manele II Landscape	20		7000	Ave irrigation		0.1
Manele PD SFR	248	325	1600	50-50 potable-non potable (Dual System)	0.260	0.260
Manele PD MFR	27	100	600	High end users	0.060	
Manele Commercial	5.25		7000	50-50 potable nonpotable (Dual System)	0.018	0.018
Manele Golf Course	110			Target golf		0.[illegible]
Koele PD SFR	237	300	720	High end rural	0.210	
Koele PD MFR	22	75	600	High end users	0.045	
Agricultural Park	100			Data from DOA	0.5	
Diversified Agriculture				1.0 mgd restriction	1.000	
Present Water Use				City (1.04 mgd), Manele Hotel (0.37 mgd)	1.4	
Koele Golf Course				Switch to nonpotable wtr		0.4
				2010 Demand	4.4	1.6

EXHIBIT 10

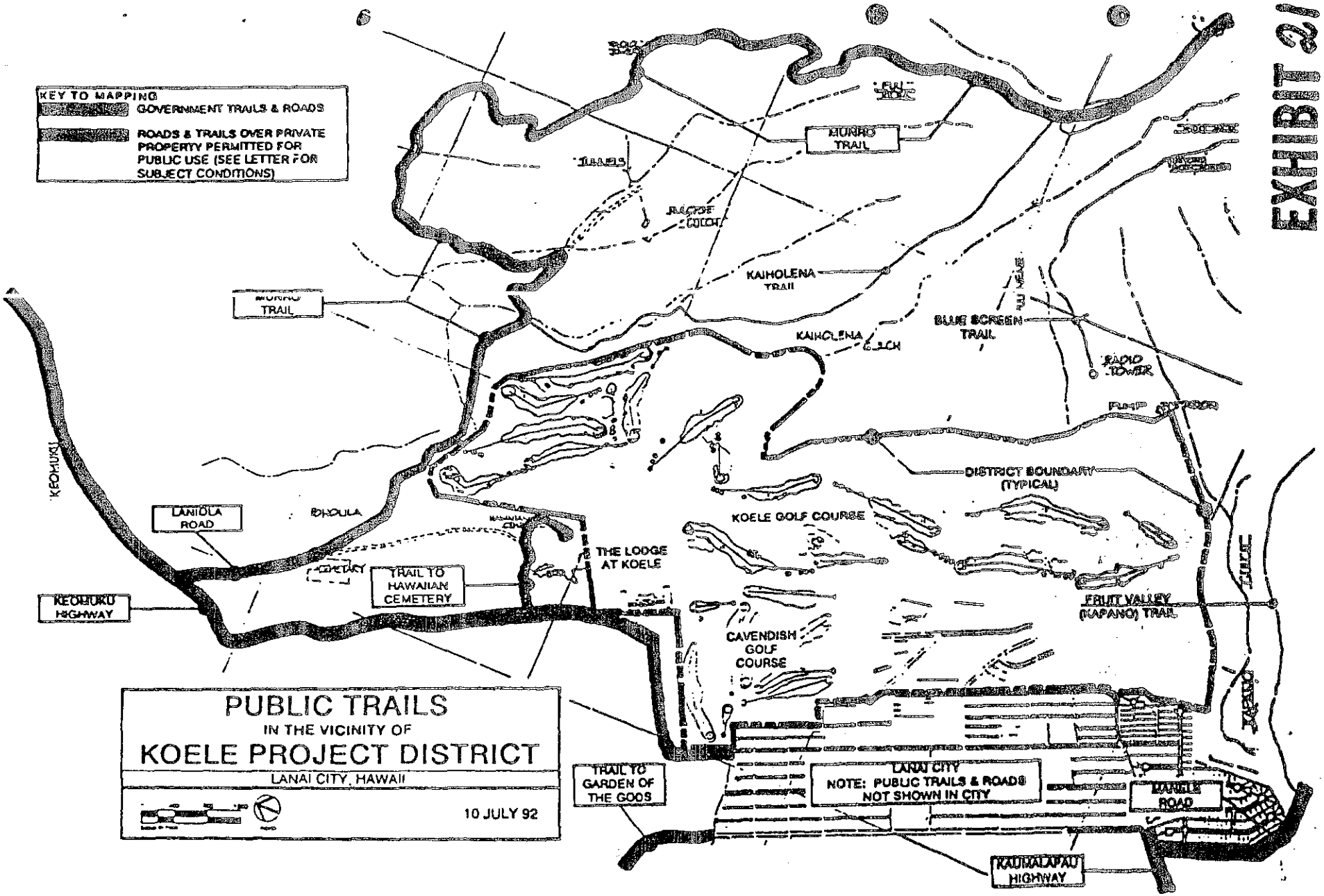


LANAI AQUIFER SECTORS
WATER SOURCES AND SERVICE AREAS

FIGURE 2.2

EXHIBIT 20

EXHIBIT 21


KEY TO MAPPING
GOVERNMENT TRAILS & ROADS
ROADS & TRAILS OVER PRIVATE PROPERTY PERMITTED FOR PUBLIC USE (SEE LETTER FOR SUBJECT CONDITIONS)
KAIHOLENA TRAIL
KAIHOLENA
BLUE SCREEN TRAIL
RAPID TOWER
PUMP STATION
DISTRICT BOUNDARY (TYPICAL)
KOELE GOLF COURSE
THE LODGE AT KOELE
KEOMUKU
LANIOLA ROAD
TRAIL TO HAWAIIAN CEMETERY
KEOMUKU HIGHWAY
FRUIT VALLEY (HAPANO) TRAIL
CAVENDISH GOLF COURSE
TRAIL TO GARDEN OF THE GODS
LANAI CITY
NOTE: PUBLIC TRAILS & ROADS NOT SHOWN IN CITY
KAUMALAPAU HIGHWAY
PUBLIC TRAILS
IN THE VICINITY OF
KOELE PROJECT DISTRICT
LANAI CITY, HAWAII
10 JULY 92

DEPARTMENT OF
PARKS AND RECREATION
COUNTY OF MAUI

LINDA CROCKETT LINGLE
Mayor
CHARMAINE TAVARES
Director
ARMAND PADUA
Deputy Director

(808) 243-7

1580 KAAHUMANU AVENUE, WAILUKU, HAWAII 96793

'92 DEC -2 A10:57

November 13, 1992

Memo to: Brian Miskae, Director
Department of Planning

Gerald Unabia, Planner

Subject: KOELE RESORT, PHASE II
I.D. NO. 92/PH2-004 AND 92/PD1-003

The proposed project conceptual plans indicate a park in the southeast corner with a connecting pedestrian path. If the combined acreage of these is at least 2.0 acres, I have no objection to this project as it would appear the developers have minimally met the interest of park assessment in a residential area. (I was unable to locate a reference to the acreage of the areas.)

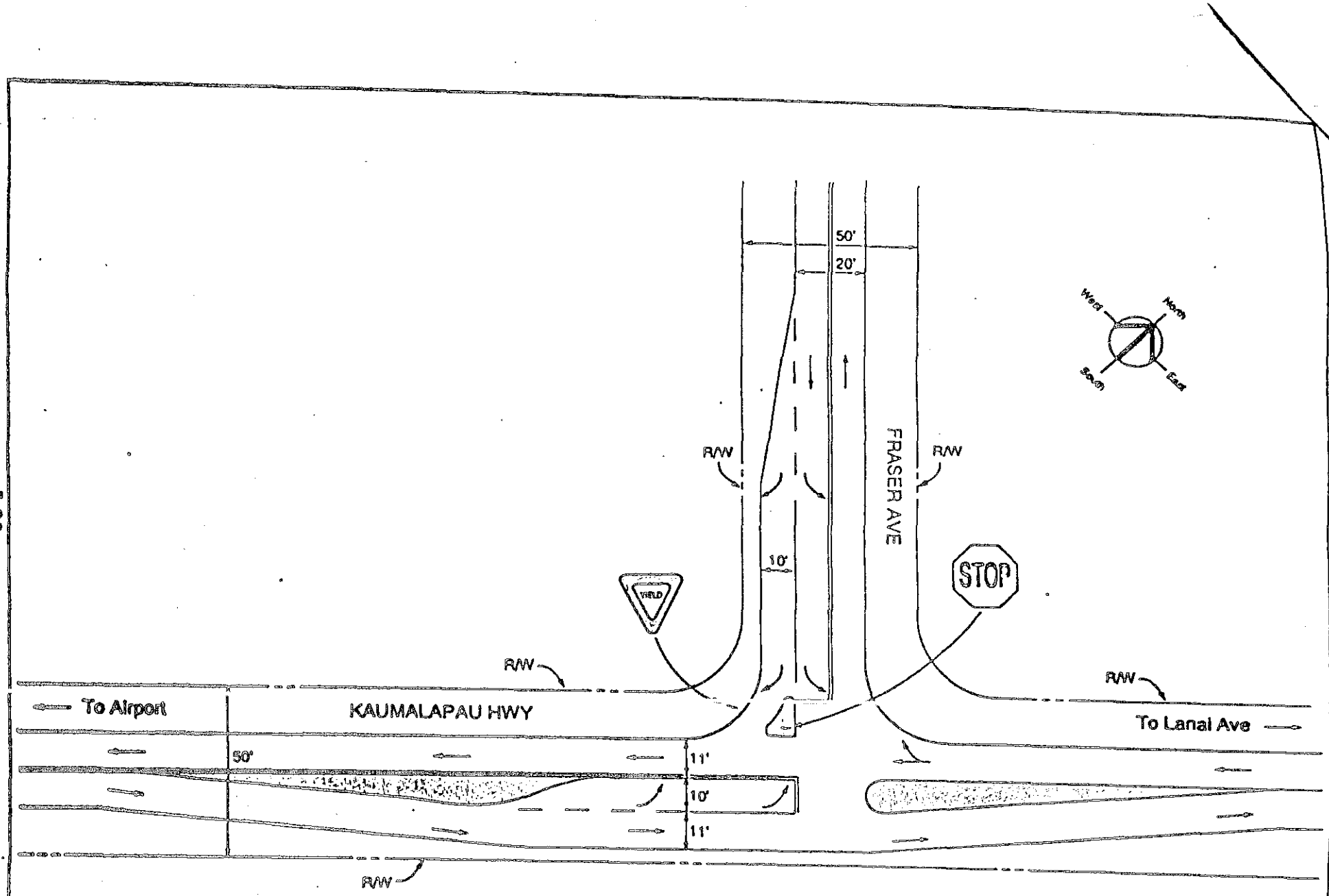
Please keep me informed on this project. I appreciate this opportunity to review and comment on this project.

Sincerely,

Charmaine Tavares

Charmaine Tavares, Director
Department of Parks & Recreation

EXHIBIT 22



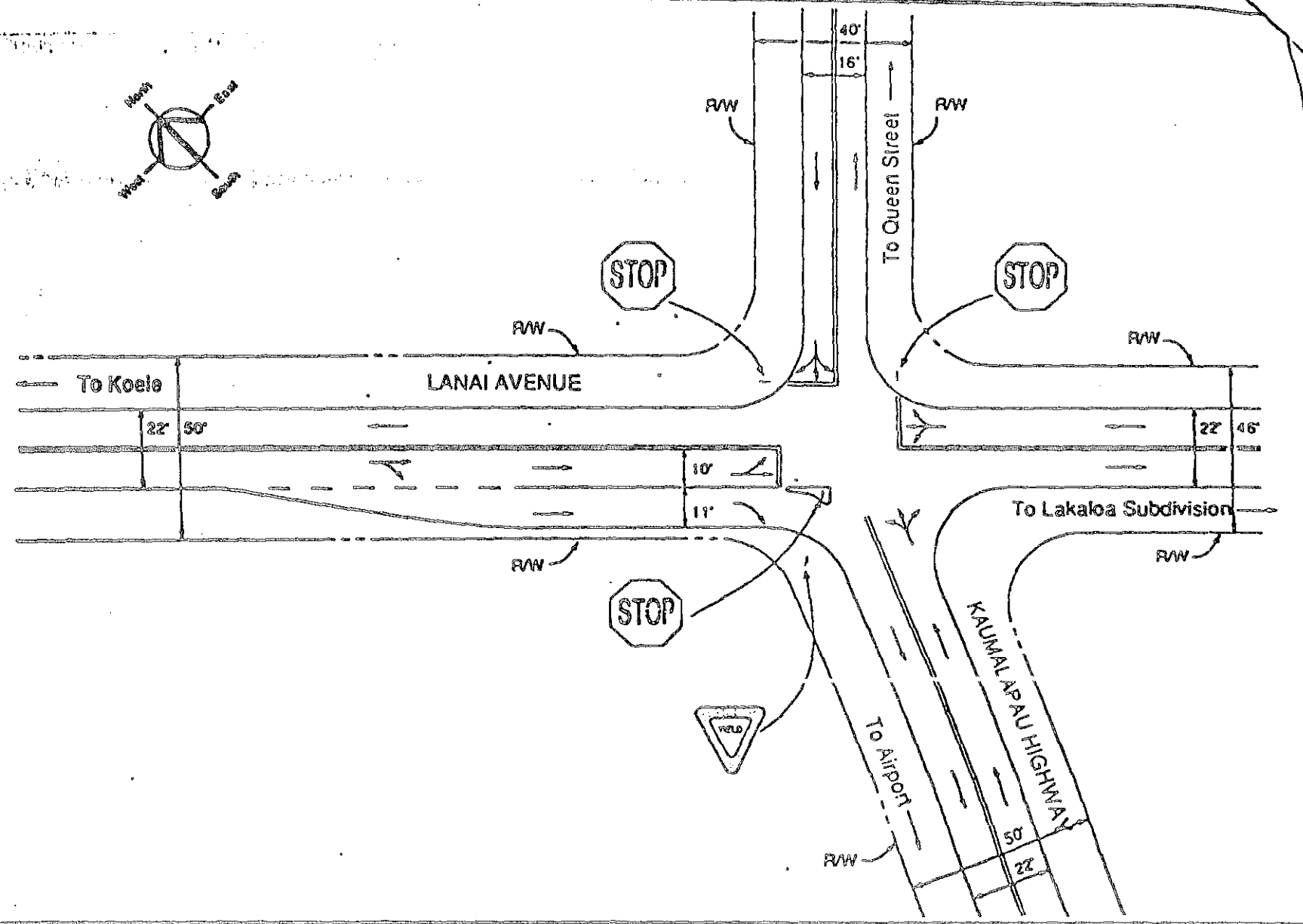
PACIFIC PLANNING & ENGINEERING, INC

KAUMALAPAU HIGHWAY AND FRASER AVENUE INTERSECTION

Figure 1-6

EXHIBIT 2

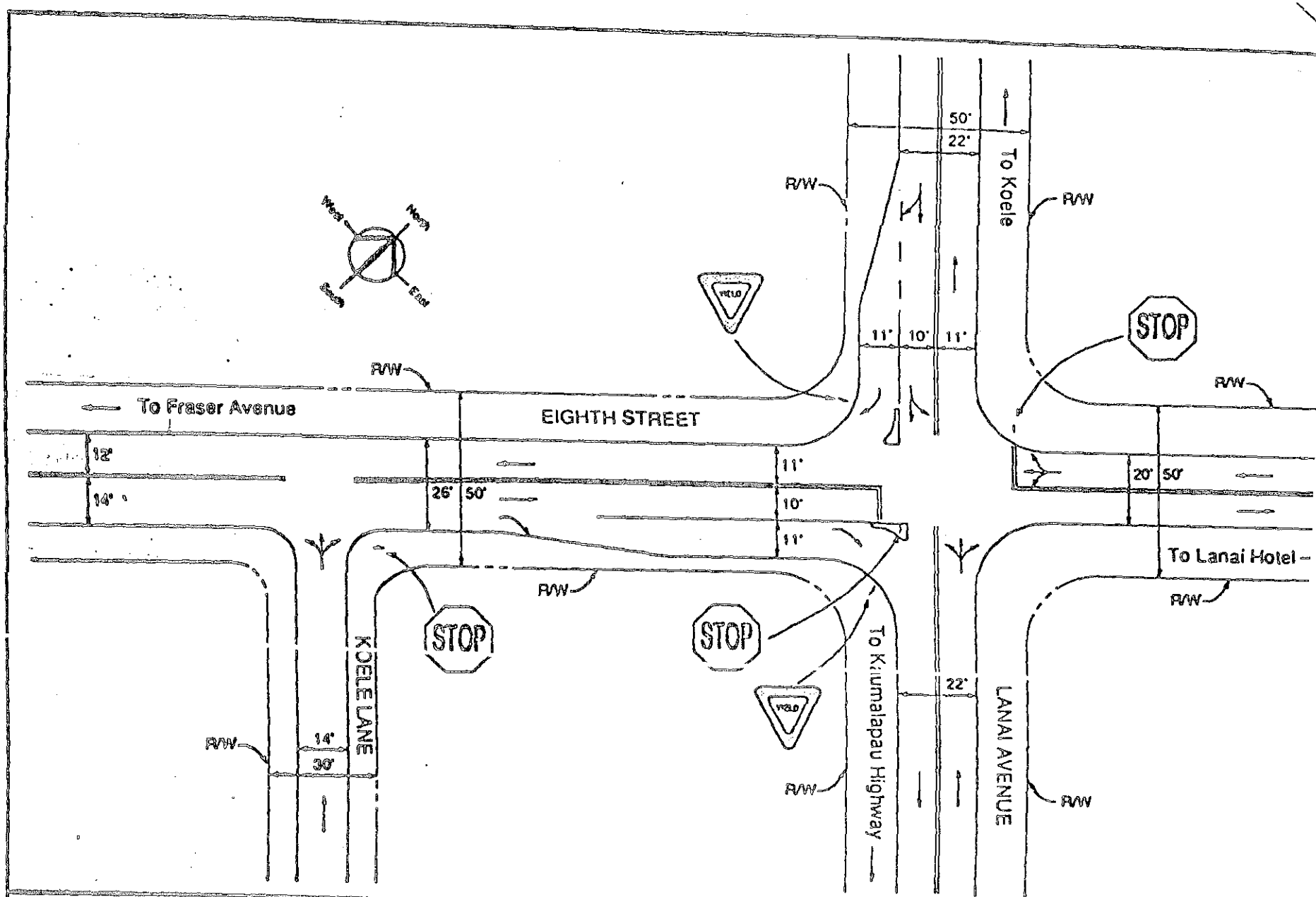
- 1-20 -



PACIFIC PLANNING & ENGINEERING, INC

KAUMALAPAU HIGHWAY AND LANAI AVENUE INTERSECTION

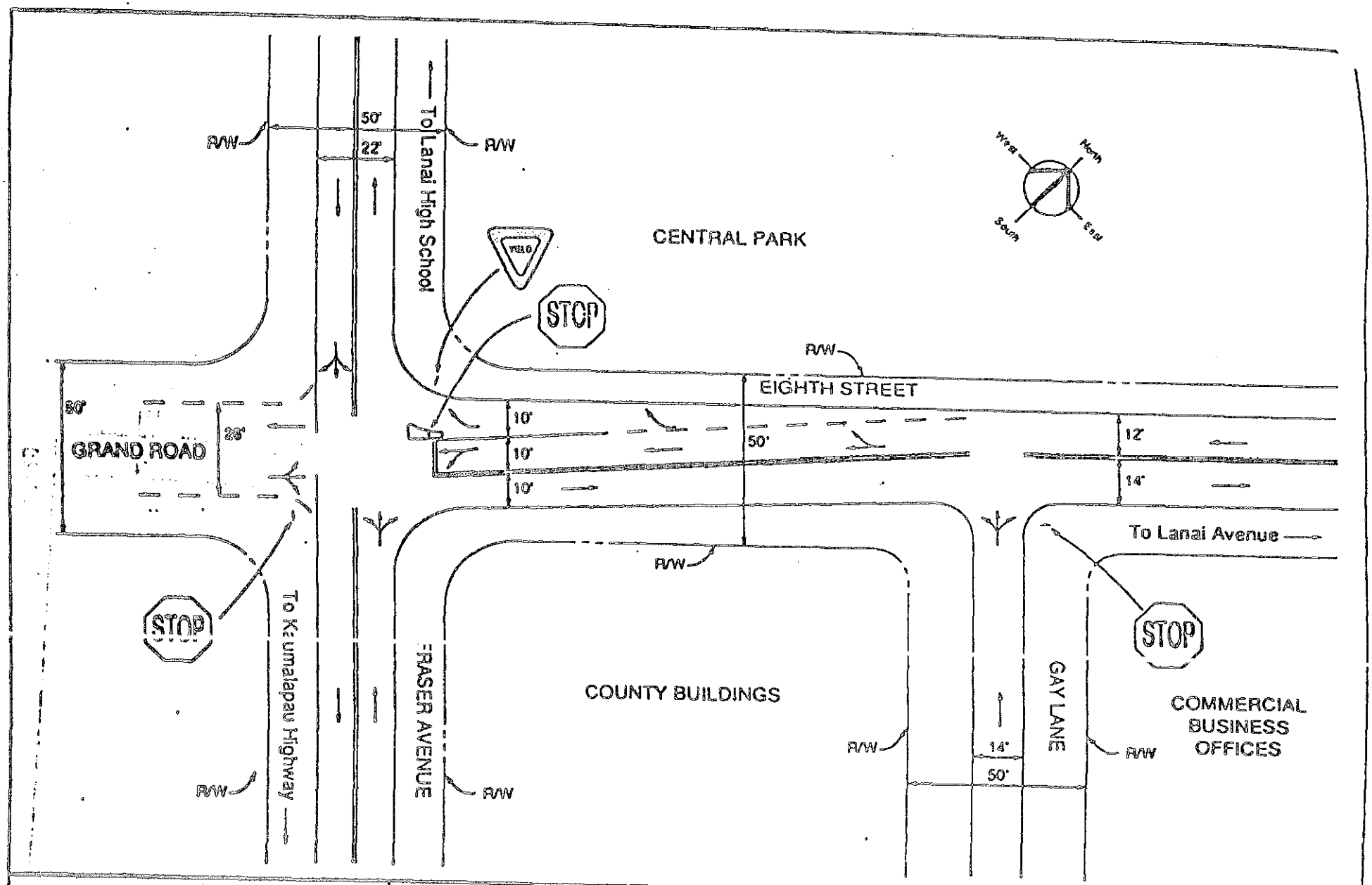
Figure 1-7



PACIFIC PLANNING & ENGINEERING, INC.

EIGHTH STREET AND LANAI AVENUE INTERSECTION

Fig
1.



PACIFIC PLANNING & ENGINEERING, INC.

EIGHTH STREET AND FRASER AVENUE INTERSECTION

Figure 1-9

DEPARTMENT OF WATER SUPPLY
COUNTY OF MAUI
P.O. BOX 1109
WAILUKU, MAUI, HAWAII 96793-7109

December 2, 1992

Mr. Brian Miskae
Planning Director
Maui Planning Department
250 South High Street
Wailuku, Maui Hawaii 96793

Re: Koele Resort; 92/PH2-004 & 92/PD1-003;
TMK 4-9-1:21, 24, 25, 27 & 30 and 4-9-18:1
Water Dept. ID # PL 92-73

Dear Mr. Miskae,

We have no water systems on the island of Lanai. The applicant will be required to sign a private water system agreement, and to demonstrate that adequate water for fire protection and domestic uses can be provided. The applicant should be required to install low flow devices, and to utilize non-potable water for irrigation of common areas.

Updated projections from the Lanai Water Task Force consultant estimate that potable demand will reach 4.4 mgd by 2010, assuming that non-potable water is used to irrigate both the Manele and Koele golf courses. Analysis of confidence intervals indicates a 5% probability that the sustainable yield of 6 mgd will be exceeded in same year.

It should also be noted that the projections of the Lanai Water Task Force were based on an assumed 300 single family units and 75 multifamily units in this Koele project. Water consumption was assumed to be 720 gpd per single family unit, and 600 gpd per multifamily unit. These figures were derived from historical data on similar types of developments and locations, and are considered more accurate than the standards, which are based on averages of diverse locations and developments. If only the 255 single family and 100 multi-family units are approved, the project can be expected to use 243,600 gallons per day, or slightly less than the .255 mgd projected in the WUDP, (provided that non-potable water is used for golf course irrigation).

If, on the other hand, all of the permitted 502 single family and 132 multifamily units are developed, consumption can be expected to reach 440,640 gallons per day for the residential portions of the project alone, (or 185,640 gallons per day more than projected). This would bring the projected total consumption for the island of Lanai up to 4.6 mgd, (again assuming the use of non-potable water for the golf courses).

Similar questions apply to the irrigation of the golf course. It is unclear

DEC 07 1992

EXHIBIT 24

precisely how irrigation for this golf course is to be handled. If all permitted residential units were constructed and the use of non-potable water were disallowed for Koele golf course irrigation, the total expected consumption for the island would rise to over 9 mgd. Either of these scenarios would increase the probability that sustainable yield could be exceeded.

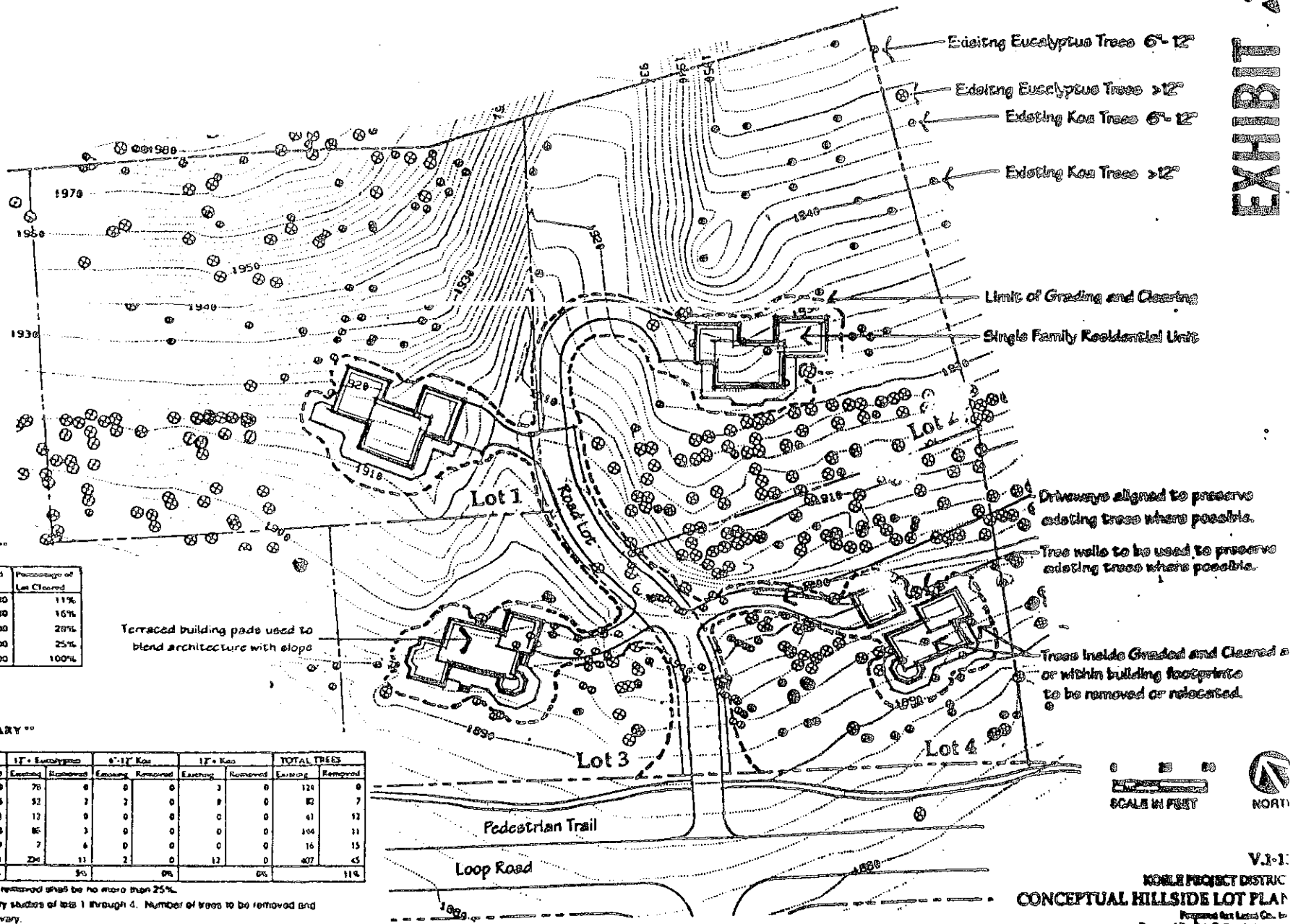
To ensure that adequate water for golf course and residential developments will be available, the applicant should be required to clarify specifically what water sources will be used for existing golf course projects, and to estimate the impacts of such use on resource availability. We advise that the yields and development potentials of alternative sources on the island of Lanai be better described, and that metering be improved throughout the Lanai system.

Sincerely,

David Craddick
Director

elk

EXHIBIT 45



LOT CLEARING SUMMARY **

STUDY LOT	Total Lot Square Feet	Area Cleared Square Feet	Percentage of Lot Cleared
Lot 1	56,100	6,300	11%
Lot 2	50,800	8,000	16%
Lot 3	25,200	7,000	28%
Lot 4	27,900	7,000	25%
Road Lot	5,500	5,500	100%

TREE REMOVAL SUMMARY **

STUDY LOT	6"-12" Eucalyptus		12"+ Eucalyptus		6"-12" Koa		12"+ Koa		TOTAL TREES	
	Existing	Removed	Existing	Removed	Existing	Removed	Existing	Removed	Existing	Removed
Lot 1	40	8	76	8	0	0	3	0	124	8
Lot 2	19	5	52	7	2	0	8	0	81	7
Lot 3	29	13	12	0	0	0	0	0	41	12
Lot 4	30	8	85	3	0	0	0	0	104	11
Road Lot	9	9	7	6	0	0	0	0	16	15
TOTAL	150	34	234	11	2	0	13	0	407	45
% of Trees Removed *		23%		5%		0%		0%		11%

* Overall average of total trees removed shall be no more than 25%.

** Estimates based on preliminary studies of lots 1 through 4. Number of trees to be removed and lot clearing for other lots will vary.

V.1-1

KOHALA PROJECT DISTRIC

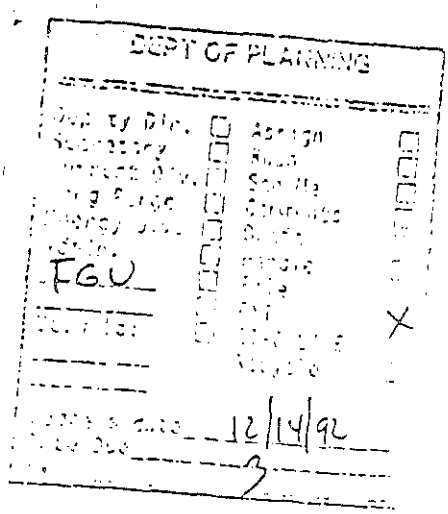
CONCEPTUAL HILLSIDE LOT PLAN

Prepared for Lands Co. In

Prepared by: Belt Collins & Associa

Date: August 19

JOHN WAIHEE
GOVERNOR OF HAWAII



WILLIAM W. PATY, CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES

DEPUTIES

JOHN P. KEPPELER, II
DONA L. HANAIKE

AQUACULTURE DEVELOPMENT PROGRAM
AQUATIC RESOURCES
CONSERVATION AND ENVIRONMENTAL AFFAIRS
CONSERVATION AND RESOURCES ENFORCEMENT
CONVEYANCES
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION DIVISION
LAND MANAGEMENT
STATE PARKS
WATER AND LAND DEVELOPMENT

'92 DEC 11 A11:51

STATE OF HAWAII

DEPARTMENT OF LAND AND NATURAL RESOURCES

STATE HISTORIC PRESERVATION DIVISION
33 SOUTH KING STREET, 6TH FLOOR
HONOLULU, HAWAII 96813

December 9, 1992

LOG NO.: 7010
DOC NO.: 9212AG22

Mr. Brian Miskae, Director
Maui Planning Department
250 South High Street
Wailuku, Maui, Hawaii 96793

Dear Mr. Miskae:

SUBJECT: Historic Preservation Review of an Archaeological Report for the Koele Project District Phase 2
Koele, Lanai
TMK: 4-9-01:21, 24, 25, 27, 30; 4-9-02: 01

Thank you for sending us a copy of the archaeological report entitled Archaeological Data Recovery and Monitoring of the Koele Golf Course Parcel, Island of Lana'i - Draft Report (Hammatt and Borthwick 1992) for our review and comments.

We have reviewed this report. It appears that the data recovery work on the reservoirs and weir/ditch system, and the subsurface testing on a historic debris scatter and lithic scatter are adequate. The report has also adequately presented the results of the data recovery and testing; the only information lacking is a map showing the location of the backhoe trenches on site 1595 and 1596. We have also received the negatives of the photographic documentation on the reservoirs. However, no captions of the negatives were included.

We recommend that this report be finalized with the inclusion of 1) a location map of the test trenches, and 2) original prints of the photographs. The captions of the negatives can be submitted under a separate cover. We will determine that the data recovery work at the Koele Project District Phase 2 has been successfully executed upon receipt of the final report and the captions.

Should you have any questions about these comments, please contact Ms. Annie Griffin at 587-0013.

Sincerely,

DON HIBBARD, Administrator
State Historic Preservation Division

AG:aal

EXHIBIT 26

ENCLOSURE 3

COUNCIL OF THE COUNTY OF MAUI

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

April 3, 1992

COMMITTEE REPORT NO. 92-81

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Hawaii 96793

Chair and Members:

Your Planning and Economic Development Committee, having met on October 23, 1991 (site inspection), October 23, 1991 (Lanai School Cafeteria), January 23, 1992 (Lanai School Cafeteria), January 29, 1992, and March 17, 1992, makes reference to the following:

1. County Communication No. 91-363, from the Planning Director, transmitting the following:

   a) A proposed bill entitled, "A BILL FOR AN ORDINANCE TO AMEND ORDINANCE NO. 1306 (1983), THE LANAI COMMUNITY PLAN AND LAND USE MAP, TO CHANGE THE COMMUNITY PLAN DESIGNATIONS FROM AGRICULTURE AND CONSERVATION TO KOELE PROJECT DISTRICT FOR PROPERTY SITUATED AT KOELE, LANAI, HAWAII";

   b) A proposed bill entitled, "A BILL FOR AN ORDINANCE AMENDING TITLE 19 OF THE MAUI COUNTY CODE, PERTAINING TO THE PD-L/2 PROJECT DISTRICT FOR PROPERTY SITUATED AT KOELE, LANAI, HAWAII";

   c) A proposed bill entitled, "A BILL FOR AN ORDINANCE TO ESTABLISH ZONING IN AN URBAN DISTRICT AS PD-L/2 (KOELE) PROJECT DISTRICT FOR PROPERTY SITUATE AT KOELE, LANAI, HAWAII"; and

   d) Other related documents.

2. Committee Report No. 92-50, from the Planning and Economic Development Committee, recommending the following:

a) That a revised proposed bill entitled "A BILL FOR AN ORDINANCE TO AMEND ORDINANCE NO. 1306 (1983), THE LANAI COMMUNITY PLAN AND LAND USE MAP, TO CHANGE THE COMMUNITY PLAN DESIGNATION FROM AGRICULTURE TO KOELE PROJECT DISTRICT FOR PROPERTY SITUATED AT KOELE, LANAI, HAWAII" pass first reading and be ordered to print;

b) That a revised proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING TITLE 19 OF THE MAUI COUNTY CODE, PERTAINING TO THE PD-L/2 PROJECT DISTRICT FOR PROPERTY SITUATED AT KOELE, LANAI, HAWAII" pass first reading and be ordered to print;

c) That a revised proposed bill entitled "A BILL FOR AN ORDINANCE TO ESTABLISH ZONING (CONDITIONAL ZONING) IN PD-L/2 (KOELE) PROJECT DISTRICT FOR PROPERTY SITUATE AT KOELE, LANAI, HAWAII" pass first reading and be ordered to print;

d) That the County Clerk record the Unilateral Agreement and Declaration for Conditional Zoning;

e) That a Public Hearing be held on the bills and unilateral agreement;

f) That the bills and recorded unilateral agreement be recommitted; and

g) That County Communication No. 91-363 be filed.

The purpose of the first proposed bill is to amend the Lanai Community Plan and Land Use Map designations from Agriculture and Conservation to Koele Project District for approximately 92 acres of land identified as TMK: 4-9-02: Por. of 1 and 4-9-01:2, at Koele, Lanai, Hawaii.

The purpose of the second proposed bill is to revise the land use categories and acreages for Project District 2, provide appropriate standards for golf course use, and allow the Planning Director to approve a greater height limitation for hotels if the increased height will enhance the appeal and architectural integrity of the structure.

The purpose of the third proposed bill is to extend the area of Project District 2 by 67.808 acres identified as TMK: 4-9-01:2 and 4-9-02: Por. of 1, at Koele, Lanai, Hawaii.

The applicant, Thomas Leppert, President and Chief Executive Officer of Castle & Cooke Properties, Inc., wishes to expand the Koele Project District in two noncontiguous areas. One portion of the expansion pertains to proposed golf course use while the other portion of the expansion is for residential use.

Your Committee notes that the Maui Planning Commission held a public hearing on the matter on August 9, 1990. One person testified in support of the project citing the need for jobs. Another person cited a number of questions or concerns, such as: the definition of public land use; deer control; grading regulations; and affordable housing in the lower Waialua area.

At its meeting of August 9, 1990, the Maui Planning Commission unanimously voted to recommend approval of the three bills for the following reasons:

1. The proposed amendment to the existing Project District would not involve an irrevocable loss or destruction of any natural or cultural resources. The lands involve marginal agricultural designated lands.

2. The proposed amendment would result in beneficial uses to the environment in the form of open space/recreational activities and residential uses.

3. The proposed amendment is consistent with the policies and guidelines of the State Environmental Policy Act.

4. The proposed amendment to the Koele Project District would not increase the number of residential and lodge units that were previously established as part of the Lanai Community Plan planning process.

5. The entire project, if successful, would provide additional employment opportunities.

6. Biological surveys of the proposed Koele Project District indicate that no rare, threatened or endangered species or habitat will be affected.

7. The project does not abut the shoreline. These areas have not been designated as an environmentally sensitive area by the Lanai Community Plan or the Department of Land and Natural Resources.

8. On May 22, 1990, the Maui Planning Commission concluded that the proposed action would not have significant effects on the environment in accordance with the provisions of Chapter 343, Hawaii Revised Statutes, and Environmental Impact Statement Rules of the Department of Health, State of Hawaii. Therefore the Commission issued a Negative Declaration for the proposed action.

At its site inspection of October 23, 1991, your Committee met with the Planning Director; the Director of Public Works; Thomas Leppert, President and Chief Executive Officer, Castle & Cooke Properties, Inc.; James Pierce, President and Chief Operating Officer, Lanai Company, Inc.; Ralph Masuda, Vice President, Governmental Affairs, Lanai Company, Inc.; Zuke Matsui; Doug Borthwick, Cultural Surveys Hawaii; and Kenneth Nagata. Messrs. Matsui, Borthwick, and Nagata were the applicant's consultants.

Mr. Pierce noted that the original land use allocation within the Project District included residential use on the existing Cavendish golf course. He noted that they want to maintain the Cavendish golf course for Lanai residents and recoup these residential lots by expanding the Project District boundary.

Your Committee deferred the matter pending further discussion.

At its meeting of October 23, 1991 at Lanai City, your Committee met with the Planning Director; the Director of Public Works; a Deputy Corporation Counsel; a Planner from the Department of Planning; David Murdock, President and Chief Executive Officer, Castle & Cooke, Inc.; Thomas Leppert, President and Chief Executive Officer, Castle & Cooke Properties, Inc.; James Pierce, President and Chief Operating Officer, Lanai Company, Inc.; Ralph Masuda, Vice President, Governmental Affairs, Lanai Company, Inc.; Bruce A. Foote, Director of Utilities, Lanai Company, Inc.; David Heinz, Koele Golf Course Superintendent; Lawrence Ing, Ing, Kushi & Ige; Zuke Matsui; Doug Borthwick, Cultural Surveys Hawaii; and Kenneth Nagata. Messrs. Ing, Matsui, Borthwick and Nagata were the applicant's consultants.

The Planner presented an overview of the subject proposal.

Mr. Ing noted that the Lodge at Koele was completed in early 1990. In contemplating the design of the new golf course, Mr. Ing noted that their architects were instructed to stay away from the existing nine hole Cavendish golf course. In order to accommodate the new golf course, however, the existing Project District boundary needed to be amended. He noted that the Project District boundary is also being increased to include a residential area but the Company will not increase the number of residential units.

Your Committee heard testimony from 24 people. Twenty people testified in favor of the application. Many noted that a golf course is needed to help the resort become more viable. With the phase out of the pineapple industry, many cited the need for sustained job opportunities in the

tourist industry. Although in favor, two persons cited concerns. One person noted that Castle & Cooke should fulfill its commitments before any approvals are granted. Another person noted concerns on lack of middle income housing opportunities.

Of those persons who did not state that they were in favor of the application, one person urged a deferral of the process in order to allow Citizen Advisory Committee review of the proposal. Another person noted that without locally owned and operated businesses, Lanai consumers would be faced with inflationary trends. Another testifier noted that all permits should be denied until pineapple operations are restarted and merchants are offered their land in fee simple at reasonable prices. Another person noted that care should be exercised in whatever action is taken.

In addition, seven people testified in favor of the request who were either consultants of the applicant, or executives or employees directly involved in the request.

Mr. Nagata, the biological consultant for the applicant, noted that he has determined that there are no native animals, no native pristine plant communities and no endangered species which are affected by the project.

Mr. Foote, Director of Utilities for Lanai Company, Inc., noted that they are using a little more than 500,000 gallons per day for irrigation of the golf course at the present time. However, he noted that since this is the grow-in period for the golf course, more irrigation water is required. Their intent is to average 250,000 gallons per day for golf course irrigation over a 12-month period.

Mr. Foote noted that within five years of the opening of the golf course, they will no longer be using potable water for irrigation. He noted that they will be using captured runoff from the residential district in Koele and Lanai City. They are also considering the use of treated effluent for golf course irrigation. However, he noted that the Department of Health has not finalized its rules on the use of treated effluent for golf course irrigation purposes.

Mr. Borthwick, the archaeological consultant for the applicant, noted that a portion of the road leading to a Hawaiian graveyard had been bulldozed for the golf driving range. It was his understanding that the road was replaced just prior to the meeting of the Committee.

Mr. Leppert, President and Chief Executive Officer of Castle & Cooke Properties, Inc., noted that the Koele Project District request reflects their effort to retain the Cavendish golf course in perpetuity with free play for Lanai residents. He noted that they are simply attempting to replace that acreage in order to maintain the project's economic viability.

Mr. Leppert noted that they have affordable housing commitments which are being met at the beginning of the project. He noted the completion of Lalakoa, Lanai City Apartments, and Iwiole Hale. He noted that they hope to start on Olopua Woods soon.

Regarding park assessment requirements for the Lalakoa III project, Mr. Leppert noted that the project originally contained a park. However, they were directed to pay a fee by the County Administration.

Regarding the preschool, he noted that they have made up a number of monthly deficits at the preschool within the last couple of years.

Mr. Leppert noted that they are contemplating the initiation of an employee golf program after the grow-in period of the golf course. In the late afternoon, a golfer in this program would be charged between $15 and $25 per individual.

Mr. Pierce, President and Chief Operating Officer of Lanai Company, Inc., noted that one of the conditions of the zoning for the Olopua Woods Project involves road widening on land owned by the State of Hawaii. He noted that the Department of Land and Natural Resources would not grant them the needed right-of-entry, and wanted them to pay for the land they had originally given to the State. The Department also was requiring an environmental assessment.

Mr. Murdock, President and Chief Executive Officer of Castle & Cooke, Inc., noted that the decision to close down pineapple operations will stand. He believes that the majority of the people on the island support the development proposal.

Mr. Heinz noted that the driving range has been under construction for about the last two to three weeks. Instead of cutting the existing trees, the trees have been relocated. He noted that until grass completely covers the golf course, there will be some runoff. However, he stated that it is draining as it was engineered.

Your Committee deferred the matter pending further discussion.

By letter dated October 28, 1991, your Committee asked the Department of Public Works whether it approved of plans to alter the existing drainage ditch between the Lodge at Koele and the tennis courts, whether the alteration meets County standards, and why mud deposits have increased.

By letter dated October 28, 1991, Thomas Leppert addressed two issues, the donation of land for affordable housing and the loan fund for local merchants, which were discussed at the Committee's meeting of October 23, 1991. He noted that the applicant's commitment to donate 100 acres for affordable housing is in addition to the 15 acres already committed to the County for affordable housing. He noted that such housing should be of a density and quality similar to the affordable housing projects they have done on Lanai and that there should be a reverter clause if the County does not proceed.

Regarding the loan fund, Mr. Leppert notes that they have already communicated with the merchants and are attempting to gauge preliminary interest. He noted that the $1 million loan fund would be made available at 200 basis points below the Bank of Hawaii's prevailing commercial loan rate.

By letter dated October 29, 1991, your Committee requested that Castle & Cooke Properties, Inc., provide the following information:

1. Maps delineating (a) the acreage of the existing Koele Project District and the proposed expansion, and (b) the proposed land use allocations and corresponding acreages;

2. Maps delineating (a) the State land use district classifications, and corresponding acreages for the area of the original Project District as well as adjacent areas, and (b) the State land use district changes since the original establishment of the Project District;

3. The rationale for expanding the golf course acreage and whether the existing Project District land use allocation for golf course use assumes preservation of the Cavendish golf course;

4. The proposed number and size of residential lots under existing Project District provisions as well as the proposed number, sizes and sales prices of residential lots under the proposed Project District provisions;

5. An indication of whether grading, seeding or maturation of landscaping for golf course use has taken place outside of existing Project District boundaries, and delineation of the acreage involved, State land use designation, County community plan designation and zoning;

6. The location of non-potable water gauges, the projected quantity of non-potable water available for golf course irrigation at varying times of the year, and a description of the methodology and data by which such projections were reached;

7. With reference to the newspaper ad entitled "An Open Letter on the Issues from David Murdock", which notes that water use in the year 2010 is

projected to be only about 50 percent of the sustainable yield from the high level aquifer, a description of the methodology and presentation of the data by which this conclusion was reached;

8. The rates of play on the golf course for hotel guests, non-hotel guests, and residents of Lanai or the State; amounts or percentages of golf tee times which would be made available to residents of Lanai or the State; whether golf course memberships would be available to residents of Lanai or the State and the projected cost of such memberships;

9. Delineation of the 100+ acres which were pledged for affordable housing purposes, the entity receiving the donation, an indication of whether the donation is in addition to existing or future governmental requirements for affordable housing, and the date such a donation would be made; and

10. Data on lease rates for other rural areas in the State, a description of the terms of the leases offered on Lanai, and an indication of when the pledged $1 million loan fund at 2 percent below Bank of Hawaii loan rates would be in operation.

By letter dated October 29, 1991, your Committee requested that the Department of Public Works indicate whether the applicant has complied with all provisions and conditions of the Koele Project District Ordinance from its original enactment, as well as the details of each violation, the date of citation, and whether such violations were remedied.

By letter dated October 29, 1991, your Committee requested that the Land Use Commission provide the following information:

1. Regarding a Land Use Commission decision (Docket No. A90-662) condition pertaining to donation of an adequate amount of land to the State for affordable residential projects, the rationale for

requiring an "adequate" amount of land rather than specifying an exact amount, and the Commission's intent in terms of the acreage, location and number of affordable units; and

2. An explanation of the project, including acreage, location, number and type of affordable units, affordability criteria and other appropriate details.

By letter dated October 29, 1991, your Committee noted that a Land Use Commission decision (Docket No. A90-662) involved a condition pertaining to donation of an adequate amount of land to the State for affordable residential projects to the satisfaction of the State Housing Finance and Development Corporation. Your Committee requested that the State Housing Finance and Development Corporation provide the exact acreage, location, number and type of affordable units, affordability criteria, and other appropriate details of the project.

By letter dated October 29, 1991, Thomas Leppert transmitted copies of letters of intent for long-term leases between Castle & Cooke Land Company and four merchants on Lanai.

By memo dated October 30, 1991, Councilmember Goro Hokama transmitted a letter from John D. Gray urging that, consistent with the applicant's numerous representations, free play for local residents at the Cavendish golf course be included as a condition of the approval.

By letter dated October 30, 1991, Ann P. Oyama, President of Keiki O Lana'i Preschool, and other officers and board members of the preschool noted that, contrary to statements made at the Committee's meeting of October 23, 1991, Lanai Company, Inc., has been supportive and responsive to the needs of the preschool and its children.

By letter dated October 31, 1991, Kathy Oshiro noted that statements made by Thomas Leppert regarding the Keiki O Lana'i Preschool at the Committee's meeting of October 23,

1991 were inaccurate and misleading. She noted that Castle & Cooke has fulfilled only a portion of its stated commitments and pledges on the preschool.

By letter dated November 1, 1991, Kathy Oshiro noted that it is imperative that Castle & Cooke be required to sell to her the land she now leases. She notes that a lease proposal given to another merchant is markedly different from the lease offered to her.

By letter dated November 1, 1991, Mr. Pierce of Lanai Company, Inc., responded to your Committee's October 29, 1991 letter by providing the following information.

1. The current request allows the preservation of the Cavendish golf course, which was mostly designated for housing, and allows the maintenance of certain heavily wooded acres in their current state. Under the existing Project District, there are 468.4 acres. Under the proposed Project District, there would be a total of 633.1 acres.

2. Under the current proposal, the Project District would contain 536 acres within the State Urban District and 97 acres within the State Agricultural District.

3. It is the current plan to retain the existing Cavendish golf course for free play. The market level residential housing originally proposed within the Cavendish site would be relocated.

4. There is no change to the total number or type of residential units from the original plan.

5. The grading, seeding or maturation of seven holes of the Koele Golf Course has taken place outside of the existing Project District boundaries. The current designation is State Agricultural District which is appropriate for this type of use.

6. A sourcing plan for non-potable irrigation of the Koele Golf Course is being formulated. It includes the possible use of encatchment, effluent, brackish, and other potential sources.

7. Data on projected water use through the year 2010 is taken directly from the Lanai Water Master Plan which was completed in July 1990. The estimate of sustainable yield was independently developed by Mink as 6.0 mgd and by Anderson as 6.2 mgd. By a "project methodology," the use of high level potable water is projected to 2.729 mgd or 45 percent of the sustainable yield. By a "population model," the use is projected to be 2.405 mgd or 40 percent of the sustainable yield.

8. The current green fee is $90 per round per person based on double cart occupancy. The fee structure for golf course play is with the understanding that there will be no multiple discounts and the lowest appropriate rate will apply. The hotel guest discount is 25 percent. There is a State resident discount of 40 percent. There is a Lanai resident discount of 50 percent. Due to the limited number of hotel rooms and available quantity of tee times, preferential tee times are not necessary but could be considered if it becomes an issue in the future. There are no plans for golf memberships.

9. The 100 acre land donation for affordable housing is in addition to the 15 acres previously committed to affordable housing. The applicant is working with the County Administration on the conveyance of these parcels and it is hoped that the transfer will occur before year end. It is noted that they will be producing 416 units or an increase of 60 percent of the island's housing stock, with a subsidy of $28 million. It is noted that the donation of the 100 acres and other donations should be considered as contributions toward future affordable housing requirements.

10. Selected country town rents for other areas of the State ranged from $1.15 to $2.50. Current Lanai lease rent ranges from $0.05 to $0.39.

By letter dated November 5, 1991, Esther Ueda, Executive Officer of the Land Use Commission, responded to your Committee's October 29, 1991 letter. She stated that the condition that an "adequate" amount of land be donated for affordable housing was proposed by the applicant, the Office of State Planning and the County Department of Planning to the Land Use Commission. Regarding any additional details concerning the project, she suggested that the State Housing Finance and Development Corporation be contacted.

By Memo 91-409 dated November 5, 1991, the Council Chair transmitted a letter from John D. Gray who attached a number of letters he had written earlier, questioning the availability of adequate water for Koele Golf Course irrigation.

By letter dated November 19, 1991, your Committee requested that the Mayor provide the following information:

1. The location, status, timetable, and additional details regarding the 100 acre agricultural park required in conjunction with a Land Use Commission decision (Docket No. A89-649); and

2. The status of the pledges by Lanai Company, Inc., to donate 15 acres and 100 acres for affordable housing, and details such as location, income ranges, whether units are for sale or rent, type of units, extent of required off-site infrastructure, who would pay for such infrastructure, extent of County participation in these projects, and whether the sites are suitable or feasible for the development of affordable housing.

By letter dated December 3, 1991, your Committee requested that Castle & Cooke Properties, Inc., provide the following information:

1. The total number and size of residential lots under existing Project District provisions as well as the proposed number, size and sales prices of residential lots under proposed Project District provisions;

2. The estimated completion date of the sourcing plan for non-potable irrigation of the Koele Golf Course, an explanation of the estimated amount of surface runoff which would be used for non-potable irrigation of the Koele Golf Course and the estimation methodology, and an identification of the specific locations and gallonages of rainfall runoff by various seasons;

3. An elaboration of the "project methodology" by which projections of 2.729 mgd or 45 percent of the sustainable yield of the high level aquifer were derived, and an elaboration of the "population model" by which projections of 2.405 mgd or 40 percent of the sustainable yield were derived;

4. Delineation of the lots or blocks which comprises the 100 acre area for affordable housing;

5. A list of the various projects which comprise the 416 units which Lanai Company, Inc., is subsidizing, differentiating between those units that have been and will be produced, and indicating location, acreage, number and type of units, amount and nature of the subsidy, and extent, if any, other parties were involved in the development of the projects;

6. An elaboration of those affordable housing projects which were considered to satisfy affordable housing requirements as well as those market developments to which the affordable housing requirements applied;

7. Additional information on all commercial leases, including type of use, status of negotiations, length of term, rent amount, required tenant improvements, the extent of any contributions to tenant improvements, and the rationale as to why there are differences in what is being offered to each individual tenant; and

8. An indication of who makes the decision as to which merchants would receive loan funds, the criteria for making such loans, and whether the loan fund could be administered by a local bank or the Lanai Community Federal Credit Union.

By letter received December 9, 1991, Ron McOmber, President of Lanaians for Sensible Growth, responded to your Committee's October 29, 1991 letter by noting that there are a number of items listed in the 1987 and 1990 memoranda of agreement which have not been addressed satisfactorily. Some of the issues include problems with the beach park parking lot during Kona storms, inadequate precautions to prevent runoff into Hulopoe Bay, inadequate communication with residents and merchants, and delay in delivery of promised improvements.

By letter dated December 10, 1991, the Mayor responded to your Committee's November 19, 1991 letter by providing the following information.

1. There has been preliminary acceptance of a 100 acre site in the vicinity of the Lanai Airport for establishment of an agricultural park.

2. Approximately 115 acres has been offered by Lanai Company, Inc., for affordable housing. The acquisition of this land has a high priority and no other details regarding the project have been developed.

By letter dated December 16, 1991, Thomas Leppert, President and Chief Executive Officer of Castle & Cooke Properties, Inc., responded to your Committee's December 3, 1991 letter by providing the following information.

1. Using the acreages and density allowed by the provisions of the Koele Project District, there would be 502 single family units and 132 multi-family units. Lot sizes would vary according to site configuration and price ranges are anticipated to be in the upper end of the market.

2. The estimate of 500 million gallons per year of potential rainfall runoff was provided by the United States Department of Health Soil Conservation Service, Molokai/Lanai District Office. The methodology by which the estimate was calculated is not known at this time. It is further estimated that rainfall runoff could be captured from the residential areas of the Koele Project District. Based on historical rainfall records and using a fairly conservative 15 percent recovery of rainfall for built-up areas, an estimate of 120 million gallons per day was derived. The 120 million gallons per year equates to 328,700 gallons per day for golf course use. Stormwater from the existing Lanai City stormwater drainage system could potentially more than double the available water. A detailed plan will be completed by the end of 1992.

3. In general, the population methodology is based on long-term historical data for water used on a per person basis (conservatively 150 gallons per day per person) for residential, municipal, rural or other areas. This is then multiplied by the projected Lanai population of 4,500 by the year 2000 and 4,800 by the year 2010 to arrive at a total water demand. Non-population based water use such as agriculture, commercial or industrial is then added to the population-based water use to reach the total forecast. A project methodology develops demand based on typical use for similar projects. Since this method allows agriculture or industrial areas to be included as projects, no further additions need be made for these.

4. The land which was offered to the County for affordable housing has not yet been formally defined by metes and bounds, which is to be accomplished by the County Administration.

5. There are six separate housing projects being pursued on Lanai.

   a. Olopua Woods is a 120-unit project now under construction. The total subsidy is $4.3 million plus the rental subsidy.

   b. Lalakoa III is a 144-unit project completed in 1989. The total subsidy for this project is $9.1 million. The units sold at an average of $81,500 which means that it would be affordable to families at 80 percent of the County median income.

   c. Iwiole Hale is a completed 128-unit rental project. The total subsidy for this project is $9.9 million.

   d. Lanai City Apartments is a completed 24-unit project with 19 of the units designated for rent at Department of Housing and Urban Development levels. The total subsidy would be $1.35 million.

   e. Land has been pledged to the State for an affordable residential project.

   f. Land has been pledged to the County for an affordable residential project.

6. Requirements to provide affordable housing were exceeded at the time of zoning for the Koele and Manele hotels and residential housing.

7. Commercial lease terms vary according to each tenant's business, commitment level, and individual investment in his business. This is

normal and differences in leases are the rule in this or any commercial situation. Every effort has been made to suit the lease terms to each tenant's desired business plans.

8. The loan program will be administered and managed by the Bank of Hawaii, using objective lending criteria and structures similar to any loan. Loan evaluation will be more liberal and lower interest rates will be offered. The right to final approval decisions will be retained by the Company.

By letter dated January 2, 1992, Glenn Oshiro noted a number of promises made by Castle & Cooke that should have been met. Mr. Oshiro also contended that he was being unfairly compared with Lanai City Service, Inc./Trilogy Excursions, Inc., which recently leased commercial property from Castle & Cooke.

By letter dated January 19, 1992, John D. Gray expressed concerns about locating a golf course above a potable aquifer and the lack of data for Well No. 6 to be used for the Koele Golf Course.

By letter dated January 21, 1992, B. Martin Luna of Carlsmith Ball Wichman Murray Case Mukai & Ichiki, transmitted a Unilateral Agreement and Declaration for Conditional Zoning setting forth conditions upon the applicant's use of the property pursuant to Title 19 of the Maui County Code.

At its meeting of January 23, 1992 at Lanai City, your Committee met with the Deputy Director of Public Works; a Deputy Corporation Counsel; David Murdock, President and Chief Executive Officer, Castle & Cooke, Inc.; Thomas Leppert, President and Chief Executive Officer, Castle & Cooke Properties, Inc.; Ralph Masuda, Vice President, Governmental Affairs, Lanai Company, Inc.; Bruce A. Foote, Director of Utilities, Lanai Company, Inc.; B. Martin Luna, Carlsmith Ball Wichman Murray Case Mukai & Ichiki; Richard

Brock, Environmental Assessment Co.; and Thomas Papandrew and Edward Iida, Belt Collins & Associates. Messrs. Luna, Brock, Papandrew and Iida were the applicant's consultants.

Your Committee heard testimony from 21 people. Nineteen people testified in favor of the application citing primarily the need for jobs and stable employment.

Of those people who did not say they were in favor of the application, one person expressed concerns about water quality monitoring. Another person expressed a range of concerns on the proposed unilateral agreement including the failure to incorporate all of the applicant's commitments in the 1987 and 1990 memoranda of agreement, insufficient funds in the $1 million loan fund, insufficient runoff from Koele to use for golf course irrigation, and the inclusion of an inappropriate condition pertaining to the Park Council.

In addition, four people testified in favor of the request who were either consultants of the applicant, or executives or employees directly involved in the request.

Mr. Murdock, President and Chief Executive Officer of Castle & Cooke, Inc., noted that the Company has spent considerable sums of money to improve the island. He noted that the Council should not involve itself in the lease negotiations with Castle & Cooke's tenants. He noted that rents charged to its tenants are low compared to typical Maui rents. He noted that financial information on the Company's profits and losses, by plantation, is a private matter and will not be released.

Your Committee received a petition signed by 296 people noting that they were in favor of the request so that Lanai can be successful in tourism. Your Committee also received a letter from Irene Ahuna noting that she is in favor of the request because of the need for jobs and her desire to remain on Lanai.

Your Committee deferred the matter pending further discussion.

By letter dated January 27, 1992, Bruce A. Foote, Director of Utilities, Lanai Company, Inc., noted that he has discussed the issue of using treated effluent from the Lanai wastewater treatment plant with Manabu Tagomori of the Department of Land and Natural Resources. Mr. Foote noted that the use of effluent over a fresh water aquifer is not a problem as long as it is in compliance with Department of Health guidelines. He noted that brackish water could also be used, but only if it is desalted to a chloride level similar to the existing groundwater.

By letter dated January 27, 1992, John D. Gray noted that information on Well No. 6 supplying the Koele Golf Course has not been provided.

By letter dated January 28, 1992, William W. Paty, Jr., Chairperson of the Commission on Water Resource Management, confirmed the statements made by Bruce A. Foote in his letter of January 27, 1992.

By letter dated January 28, 1992, Fairfax A. Reilly expressed the following concerns:

1. the need for public service demands generated by the project may not be fulfilled;

2. the need for additional time to review the unilateral agreement; and

3. the formation of two communities on Lanai, one for the wealthy and one for the rest, does not seem to be in the best interests of the residents in the long run.

By a memorandum dated January 29, 1992, Councilmember Wayne Nishiki transmitted proposed revisions to the unilateral agreement.

By letter dated January 29, 1992, Ann P. Oyama, President, Keiki O Lana'i Preschool, noted that the preschool is generally happy with the unilateral agreement.

However, she noted that a yearly amount must be stated in the Agreement so that future administrators will have a guaranteed subsidy.

At its meeting of January 29, 1992, your Committee met with the Planning Director; the Deputy Director of Public Works; a Deputy Corporation Counsel; Thomas Leppert, President and Chief Executive Officer, Castle & Cooke Properties, Inc.; Kurt Schneider, President and Chief Operating Officer, Lanai Company, Inc.; Ralph Masuda, Vice President, Governmental Affairs, Lanai Company, Inc.; Bruce A. Foote, Director of Utilities, Lanai Company, Inc.; B. Martin Luna, Carlsmith Ball Wichman Murray Case Mukai & Ichiki; Zuke Matsui; Thomas Papandrew and Edward Iida, Belt Collins & Associates. Messrs. Luna, Matsui, Papandrew and Iida were the applicant's consultants.

The applicant submitted a revised unilateral agreement dated January 29, 1992, which deleted two conditions (relating to a land donation to the State and the formation of a community park council) contained in the previous unilateral agreement submitted January 21, 1992.

Your Committee received the following revised bills from the Deputy Corporation Counsel:

1. a proposed bill entitled "A BILL FOR AN ORDINANCE TO AMEND ORDINANCE NO. 1306 (1983), THE LANAI COMMUNITY PLAN AND LAND USE MAP, TO CHANGE THE COMMUNITY PLAN DESIGNATIONS FROM AGRICULTURE AND CONSERVATION TO KOELE PROJECT DISTRICT FOR PROPERTY SITUATED AT KOELE, LANAI, HAWAII";

2. a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING TITLE 19 OF THE MAUI COUNTY CODE, PERTAINING TO THE PD-L/2 PROJECT DISTRICT FOR PROPERTY SITUATED AT KOELE, LANAI, HAWAII"; and

3. a proposed bill entitled "A BILL FOR AN ORDINANCE TO ESTABLISH ZONING IN AN URBAN DISTRICT AS PD-L/2 (KOELE) PROJECT DISTRICT FOR PROPERTY SITUATE AT KOELE, LANAI, HAWAII".

All three proposed bills were revised to note the appropriate year. The first and third proposed bills were revised to reflect an area of 153.555 acres, as noted in the unilateral agreement. The first proposed bill was also revised to correct the tax map key and provide a legal description of the property as an exhibit to the bill.

Your Committee heard testimony from 36 people. Thirty-three people were in favor of the application. Many noted that the golf course is needed to help the viability of the resort. With the phase out of the pineapple industry, many cited the need for sustained job opportunities in the tourist industry. One person noted that all but one current commercial lessee had been offered new long-term leases at lower lease rents.

Of those persons who did not state that they were in favor of the application, one person noted that social impacts upon the Lanai community had been inadequately researched. He noted that he was particularly concerned about the social impacts of luxury housing. He also noted that he has concerns about the adequacy of the Manele Environmental Impact Statement. Another person noted that there should be no layoffs of workers, the land monopoly should be ended, and the applicant's promises should be fulfilled. Another person noted that residential use should not be discussed as part of the application.

Three testimonies were also read into the record. One person urged that the request for residential development be separated from the request for golf course approval. Another person suggested an increase in the applicant's contribution to the Lanai Preschool to $250,000 over five years. Another person noted that he was in favor of the project to increase the viability of the resort.

In addition, two people who were executives or employees of the applicant directly involved in the request testified in favor of the request.

Mr. Schneider noted that his background is in development and hotel management. He noted that a destination resort cannot be successful without a golf course.

Mr. Leppert noted that the $250,000 for the Lanai Preschool was budgeted over the life of the project.

Mr. Leppert noted that their total contribution to the island of Lanai has been significant. He said he could not agree to an additional condition to provide 150 acres of land for public recreational opportunities.

With regard to the memoranda of agreement dated November 15, 1987 and October 10, 1990, Mr. Leppert noted that these documents can be litigated at any time by the parties involved. He believes that they have complied with the terms in those memoranda of agreements and does not feel it should be contained within the unilateral agreement.

Regarding the conditions pertaining to donation of land for affordable housing and a veteran's cemetery, Mr. Leppert did not have an objection to revisions clarifying that such land would be given on a fee simple basis, free and clear of all encumbrances.

Mr. Leppert noted that he could not agree to a $2 million loan fund to assist local merchants with improvements to their facilities. He believes that the presently pledged $1 million loan fund is a significant amount.

Your Committee suggested that a by-pass road, which connects Kaumalapau Highway to Keomuku Road in the vicinity of the Lodge at Koele, be constructed by the applicant. Your Committee further felt that the portion of the request dealing with lands on which residential use is proposed by the applicant should not be acted upon until a social impact study is done.

Your Committee requested that the Department of the Corporation Counsel and the applicant discuss your Committee's suggested revisions to the unilateral agreement

for possible inclusion into the unilateral agreement. Your Committee voted to recommend that the revised proposed bills pass first reading and that a public hearing be held on them.

Your Committee is in receipt of the following from the Department of the Corporation Counsel:

1. a revised unilateral agreement dated February 28, 1992 from the applicant;

2. a proposed bill entitled "A BILL FOR AN ORDINANCE TO AMEND ORDINANCE NO. 1306 (1983), THE LANAI COMMUNITY PLAN AND LAND USE MAP, TO CHANGE THE COMMUNITY PLAN DESIGNATION FROM AGRICULTURE TO KOELE PROJECT DISTRICT FOR PROPERTY SITUATED AT KOELE, LANAI, HAWAII";

3. a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING TITLE 19 OF THE MAUI COUNTY CODE, PERTAINING TO THE PD-L/2 PROJECT DISTRICT FOR PROPERTY SITUATED AT KOELE, LANAI, HAWAII"; and

4. a proposed bill entitled "A BILL FOR AN ORDINANCE TO ESTABLISH ZONING (CONDITIONAL ZONING) IN PD-L/2 (KOELE) PROJECT DISTRICT FOR PROPERTY SITUATE AT KOELE, LANAI, HAWAII".

The first revised proposed bill (the community plan bill) contained clerical format changes.

The second revised proposed bill (the project district bill), was clerically revised to delete 10.9 and 4.1 acres respectively from the "Golf course" and "Open space" land use categories. The deletion was necessary because approximately 14 acres allocated for road improvements were inadvertently calculated into the land use categories; and, apparently, there was a 1 acre mathematical error. Including the roadway acreage, the total project district acreage is approximately 632 acres.

The third revised proposed bill (the zoning bill) was revised to incorporate the conditions set forth in the applicant's revised unilateral agreement, dated February 28, 1992. Your Committee notes that the applicant revised the unilateral agreement as follows.

1. More details on the terms of the applicant's $1 million commercial loan fund were provided. Most notably, it was specified that only current Lanai residents would be able to participate in the fund, and a one year notice would be given if the fund was to be terminated.

2. The applicant agreed that the parcels of land donated to the County for an affordable housing project and a veteran's cemetery would be on a fee simple basis, and free and clear of all mortgage and lien encumbrances. However, easements and other encumbrances would still be allowed.

3. The condition relating to the Lanai Company's 1990 Memorandum of Agreement was deleted.

4. The condition providing for a land exchange for a new police station was clarified so that the land exchange may be consummated "upon terms and conditions acceptable" to the applicant and the County.

5. The condition providing free play at the Cavendish golf course to Lanai residents was expanded. Lanai residents and State of Hawaii residents would be allowed to play at the Koele Golf Course at rates of 50% and 60% the standard rate, respectively.

6. The applicant agreed to comply with the State Department of Health's "Twelve Conditions Applicable To All New Golf Course Development" dated January 1992. However, the applicant deleted the condition that it would monitor the high level ground water aquifer and take appropriate mitigative measures if necessary.

7. A new condition was inserted stating that the applicant agreed to build a by-pass road as was requested by your Committee; however, 1) construction would commence within two years from the date the project district's dwelling units are 50% occupied; and 2) the Council would be allowed to eliminate this condition if traffic flows are not substandard.

8. A new condition was inserted stating that the declarant shall defer construction within the 67.908 acres of land proposed for single family and multi-family uses until a social impact study is completed and submitted to the County Council for review.

9. The $25,000 allocated for expansion of Lanai Preschool's facilities would now be distributed at $5,000 per year from 1992 to 1997.

Your Committee notes that at the March 6, 1992, meeting of the Council, Committee Report No. 92-50 was recommitted with no Council action.

By letter dated March 10, 1992, and by memorandum of the same date, the Chair of your Committee requested that the Department of Planning and the Department of the Corporation Counsel, respectively, comment on a technical problem being experienced with project districts: the acreages allotted to the land use categories in a project district's proposed bill usually differed from the acreages allotted to the land use categories in a project district's proposed land use map.

At its meeting of March 17, 1992, your Committee met with the Corporation Counsel; the Deputy Planning Director; the Deputy Director of Public Works; a Deputy Corporation Counsel; Thomas Leppert, President and Chief Executive Officer, Castle & Cooke Properties, Inc.; Ralph Masuda, Vice

President, Governmental Affairs, Lanai Company, Inc.; B. Martin Luna, Carlsmith Ball Wichman Murray Case Mukai & Ichiki; Larry Ing, Ing & Ige; and Zuke Matsui. Messrs. Luna, Matsui, and Ing were the applicant's consultants.

Your Committee accepted public testimony and one person testified in opposition to the applicant's revised unilateral agreement, noting that 1) it was in need of further clarity; and 2) the construction of the by-pass road should not be contingent upon the occupancy of the project district's dwelling units.

Two members of your Committee expressed concern that the revised unilateral agreement contained provisions that were not discussed or agreed upon at your Committee's meeting of January 29, 1992.

Mr. Ing testified that the applicant did not agree to the exact wording of some of the conditions discussed by your Committee; and, as such, the applicant had revised the unilateral agreement according to "what the company could reasonably live with."

The Chair of your Committee noted that some miscommunication may have occurred at the January 29th meeting because the applicant did not have the opportunity to agree or disagree with everything discussed by your Committee. Your Committee voted to reconsider its action of January 29th.

Responding to Committee questions, the Deputy Corporation Counsel testified that he had reviewed the revised unilateral agreement and had recommended some changes that had been accepted by the applicant. Most notably, the condition relating to the social impact statement had been revised to require only submittal, and not approval, of the statement. The Department of the Corporation Counsel felt that approval would be a discretionary act, and thus improper.

A motion was made to require Council approval of the social impact statement. Your Committee voted to defeat the motion.

Your Committee voted to accept the applicant's revised unilateral agreement (submitted on February 28, 1992), and to recommend that the revised proposed bills pass first reading.

Your Planning and Economic Development Committee RECOMMENDS the following:

1. That Bill No. 35 (1992), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE TO AMEND ORDINANCE NO. 1306 (1983), THE LANAI COMMUNITY PLAN AND LAND USE MAP, TO CHANGE THE COMMUNITY PLAN DESIGNATION FROM AGRICULTURE TO KOELE PROJECT DISTRICT FOR PROPERTY SITUATED AT KOELE, LANAI, HAWAII" PASS FIRST READING and BE ORDERED TO PRINT;

2. That Bill No. 36 (1992), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING TITLE 19 OF THE MAUI COUNTY CODE, PERTAINING TO THE PD-L/2 PROJECT DISTRICT FOR PROPERTY SITUATED AT KOELE, LANAI, HAWAII" PASS FIRST READING and BE ORDERED TO PRINT;

3. That Bill No. 37 (1992), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE TO ESTABLISH ZONING (CONDITIONAL ZONING) IN PD-L/2 (KOELE) PROJECT DISTRICT FOR PROPERTY SITUATE AT KOELE, LANAI, HAWAII" PASS FIRST READING and BE ORDERED TO PRINT;

4. That the County Clerk RECORD the Unilateral Agreement and Declaration for Conditional Zoning;

5. That a PUBLIC HEARING be HELD on the bills and recorded unilateral agreement;

6. That the bills and recorded unilateral agreement be RECOMMITTED;

7. That County Communication No. 91-363 be FILED; and

8. That Committee Report No. 92-50 be FILED.

Adoption of this report is respectfully requested.

cr15:PED3:wb

COUNCIL OF THE COUNTY OF MAUI

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

COMMITTEE
REPORT NO. 92-81

VINCE G. BAGOYO, JR. — Chair

GORO HOKAMA (I do not concur) — Vice-Chair

PATRICK S. KAWANO — Member

ALICE L. LEE — Member

RICARDO MEDINA — Member

WAYNE K. NISHIKI — Member

JOE S. TANAKA — Member

COUNCIL OF THE COUNTY OF MAUI

WAILUKU, HAWAII 96793

CERTIFICATION OF ADOPTION

It is HEREBY CERTIFIED that the foregoing COMMITTEE REPORT was adopted by the Council of the County of Maui, State of Hawaii, on the 3rd day of April, 19 92 by the following vote:

MEMBERS	Howard S. KIHUNE Chair	Patrick S. KAWANO Vice-Chair	Vince G. BAGOYO,JR.	Goro HOKAMA	Alice L. LEE	Ricardo MEDINA	Wayne K. NISHIKI	Joe S. TANAKA	Leinaala TERUYA DRUMMOND
ROLL CALL	Aye	Aye	Aye	No	Aye	Aye	No	Aye	Aye

COUNTY CLERK

ENCLOSURE 4

DAVID Y. IGE
GOVERNOR

JADE T. BUTAY
DIRECTOR

Deputy Directors
ROSS M. HIGASHI
EDUARDO P. MANGLALLAN
PATRICK H. MCCAIN
EDWIN H. SNIFFEN

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

IN REPLY REFER TO:
HWY-PS 2.7547

March 29, 2022

VIA EMAIL: jordan.hart@co.maui.hi.us

Mr. Jordan Hart
Deputy Director
Planning Department
County of Maui
One Main Plaza
2200 Main Street, Suite 315
Wailuku, Hawaii 96793

Dear Mr. Hart:

Subject: Koele Project District PH1 2021/0001; CPA 2021/0001; and CIZ 2021/0001
Ordinance 2140 Condition #9

Thank you for your email request dated March 10, 2022. We understand that Lanai Resorts, LLC, dba Pulama Lanai has submitted applications to obtain a Project District Phase 1 Amendment, Community Plan Amendment, and Change in Zoning for properties located in Lanai Project District 2 (Koele) identified as Maui Tax Map Key Nos. (2) 4-9-001: 021, 024, 025, 027, 030, (2) 4-9-002:001 (por.), 061 (por.), (2) 4-9-018:001, 002, 003, 004, 005, (2) 4-9-020:020, and (2) 4-9-021:009; Koele, Lanai, Hawaii.

On January 19, 2022, the Lanai Planning Commission, the accepting authority, approved the Planning Department's recommendation of a finding of no significant impact for the Final Environmental Assessment (FEA) for the subject applications.

We also understand that the Planning Department has requested our recommendation regarding Ordinance 2140 Condition #9, which passed the final reading at the meeting of the Council of the County of Maui on August 7, 1992. Ordinance 2140 Condition #9 is stated below for convenience:

Ordinance 2140 Condition #9 Declarant shall a) build a by-pass road, similar in concept to the road as shown in the Lanai Community Plan, Exhibit E, adopted April 5, 1983, in conformance with the standards of the County, as approved by the Director of Public Works, and b) dedicate, in fee simple absolute, free and clear of all mortgage and lien encumbrances, the constructed by-pass road to the County, at no cost to the County, within 2 years of the date that an occupancy

rate of 50% of the total number of single family and multifamily units specified in the Koele Project District is reached, provided; however, that this condition may be eliminated by the County Council if a traffic engineer provides a report showing that the roadway system then existing (within 2 years of reaching 50% occupancy) in and around Lanai City is not determined to be operationally substandard under the level of rating criteria of the American Association of State Highway and Transportation Officials.

Our department has reviewed the traffic impact analysis report included in the approved FEA and concluded that Ordinance 2140 Condition #9 is not required to be implemented in the subject applications. The proposed applications at full buildout is 110 units, below the 50% trigger (177 units) approved in 1992. Furthermore, the traffic studies show the Level of Service (LOS) is expected to remain good at LOS B or better. A by-pass road requirement is not relevant for the proposed applications.

If you have any questions, please contact Jeyan Thirugnanam, Systems Planning Engineer, Highways Division, Planning Branch at (808) 587-6336 or by email at jeyan.thirugnanam@hawaii.gov. Please reference file review number PS 2022-056.

Sincerely,

EDWIN H. SNIFFEN
Deputy Director, Highways Division

HLU Committee

From: Karlynn Fukuda <karlynn@munekiyohiraga.com>
Sent: Wednesday, August 7, 2024 8:23 AM
To: HLU Committee
Cc: Keiki-Pua Dancil (kdancil@pulamalanai.com); Yolanda Poouahi; James G. Krueger
Subject: HLU-23, Community Plan Amendment, Change in Zoning and Project District Amendment for Properties in Lanai Project District 2 (Koele)
Attachments: HLU 23_24_25 Koele PD 07AUG24 vF.pdf; 2022-05-16 CGC Letter to Director of Maui Department of Planning.pdf

Aloha James,

Per our call this morning, please find attached the following:

1) PDF file of the Powerpoint Presentation for today's (8/7/24) HLU Committee meeting regarding HLU-23
2) PDF file of a memo dated 5/16/22 from Cal Chipchase of Cades Schutte to Planning Director Michele McLean, regarding Condition 9 of the Zoning conditions for the Lanai Project District 2 (Koele)

We are requesting that these two items be added to the record for HLU-23.

Please let me know if you have any questions or would like us to formally transmit the items noted above to be added to the HLU-23 record.

Thank you for your time and assistance.

Thank you,
Karlynn

Karlynn Fukuda, President
Email: karlynn@munekiyohiraga.com

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