

## II. DESCRIPTION OF THE PROJECT

### A. PROJECT DESCRIPTION

The WCT is located in Central Maui at Waikapū, which is approximately two (2) miles south of Wailuku, Maui, Hawai'i (**See:** Figure 1, "Regional Location Map" and Figure 2, "Aerial Photograph"). The urbanized portion of the property, which is the site of the existing MTP, is approximately 2,000 feet south of the intersection of Waiko Road and Honoapi'ilani Highway. The Project will be built on each side of Honoapi'ilani Highway. The entire property, including the land to remain in agricultural use, is identified by Tax Map Key Numbers (TMKs) (2) 3-6-005:007; (2) 3-6-002:001; (2) 3-6-002:003; (2) 3-6-006:036; (2) 3-6-004:003; and (2) 3-6-004:006 (**See:** Figure 3a-d, "TMK Maps"). This area encompasses approximately 1,576.171 acres, of which about 1,562 acres is within the State Agricultural District and approximately 14 acres is within the State Urban District.

The Applicant recently concluded redistricting the project area from the State Land Use Agricultural District to the State Land Use Rural and Urban Districts. Approximately 1,080.27 acres will remain within the State Agricultural District. About 800 acres of the agricultural land will be permanently protected by the Applicant through an agricultural or conservation easement to facilitate long-term farming on these lands.

The Project, which will be situated on approximately 496 acres, is intended to be developed as a "complete community". A complete community is a settlement pattern in which jobs, housing, private and public facilities and services come together to provide the basic needs of a community, reducing the needs of a community to be dependent upon long vehicular commutes.

The Project area was placed into the MIPs Small Town Growth Boundary in December 2012. The purpose for placing the project area within the growth boundary was to provide the opportunity for additional housing and services to accommodate the island's projected population growth through 2030. In accordance with the MIPs Planned Growth Guidelines, the WCT will comprise 1,433 residential units, plus about 146 Ohana dwelling units, together with neighborhood retail, commercial,

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employment uses, a school, parks and open space (See: Appendix C, “MIP Planned Growth Area Description”). The Project will be bound to the south by agricultural land that will be preserved in perpetuity through a conservation easement. The utilization of conservation subdivision design (CSD) practices will preserve additional rural land for farming, open space, and open land recreation uses.

The WCT will be built in two five year phases, both mauka and makai of Honoapi’ilani Highway. Development mauka of the highway will focus inwards onto a “village center,” incorporating the existing buildings and tropical grounds of the MTP. The WCT Master Plan calls for a mixture of affordable and market priced housing, along with commercial, entertainment, and civic uses within and around the village center. Development makai of the highway will focus onto a pedestrian-oriented “main street,” a nearby elementary school, and neighborhood and community parks. The makai development is bound to the east by the planned extension of the Wai’ale Road, which will intersect with Honoapi’ilani Highway (See: Figure No. 7 a-b, Illustrative Land Plan and Figure No. 8, Conceptual Agricultural Master Plan). The WCT Master Plan is described in detail in Chapter III, pages III-1 – III-72, of the FEIS (See: Appendix A, “Final Environmental Impact Statement (FEIS)”).

## B. PURPOSE AND NEED

Like the rest of Hawai’i, housing affordability on Maui is a pressing problem, especially for lower and middle income families and young adults. It is generally recommended that no more than 30% of monthly income be spent on rent. However, in 2011 60% of Maui residents exceeded this threshold. According to the US Census Bureau, 2007-2011 American Community Survey 5-Year Estimates, 65% of renters in Wailuku spend over 30% of their income on gross rent and 44% spend over 50% of their income on gross rent.<sup>i</sup> Spending such a high percentage of a family’s income on rent takes away from other needed spending and investments, such as saving for a child’s education or for retirement.

While housing affordability is a significant concern, demand for housing is projected to increase, placing further pressure on housing prices. According to the MIP (December 2012), there will be a demand for an additional 29,589 housing units on Maui through 2030. Of these units, approximately 10,845 are expected to be built on lands not currently entitled for urban development.<sup>ii</sup> Therefore, about 18,744 units are to be built on lands already zoned for residential use.

# WCT Conceptual Agricultural Master Plan

1. WCT Wastewater Reclamation and R-1 Reuse Facility
  2. Community Farmers Market
  3. Fresh Fruit and Vegetable Stand
  4. Long-horn Cattle Grazing
  5. Diversified Agriculture
  6. Renewable Energy
  7. Ag Tourism / Open Land Recreation
- Waikapū Commons 800 Acre Agricultural Preserve

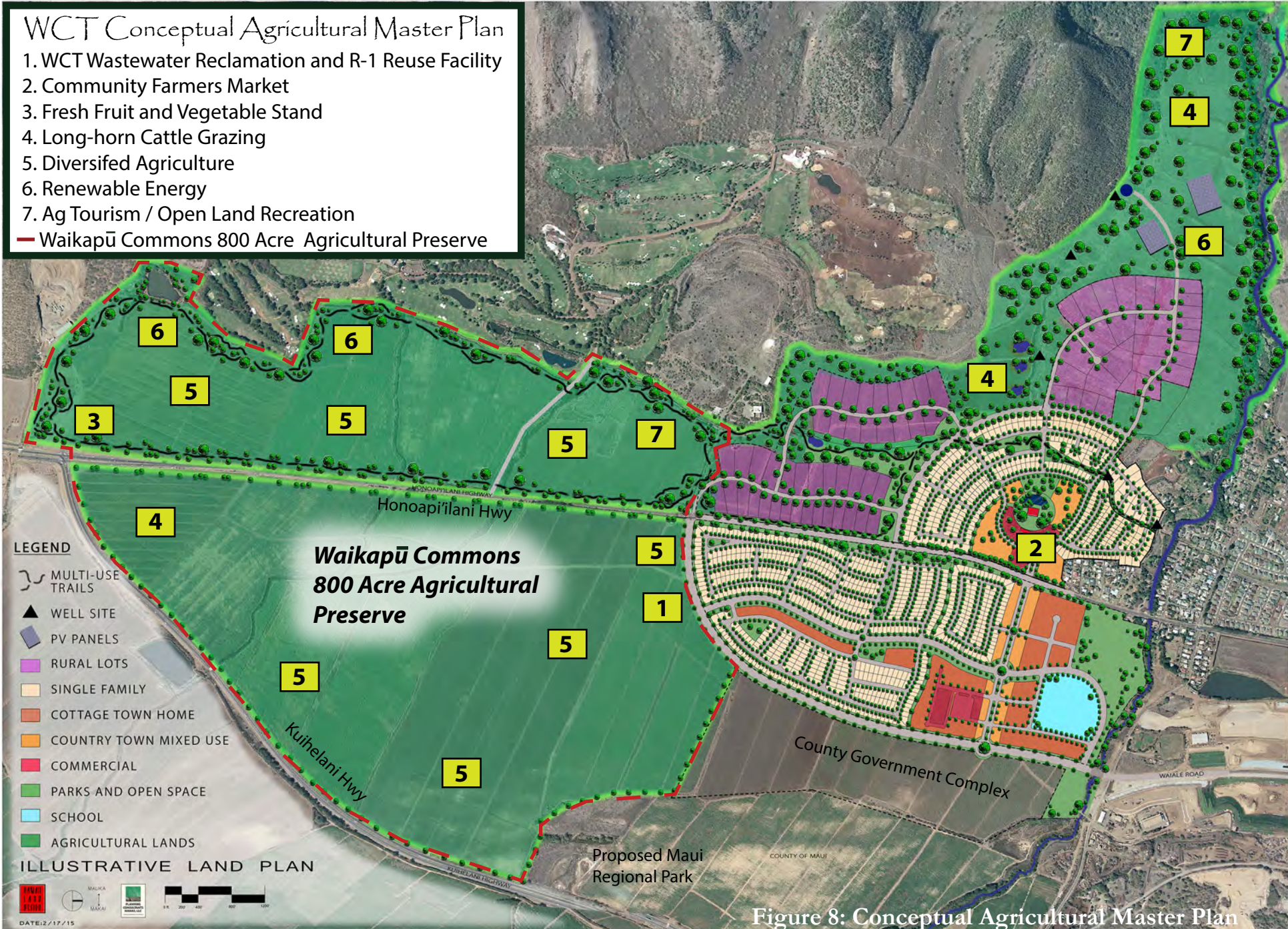


Figure 8: Conceptual Agricultural Master Plan

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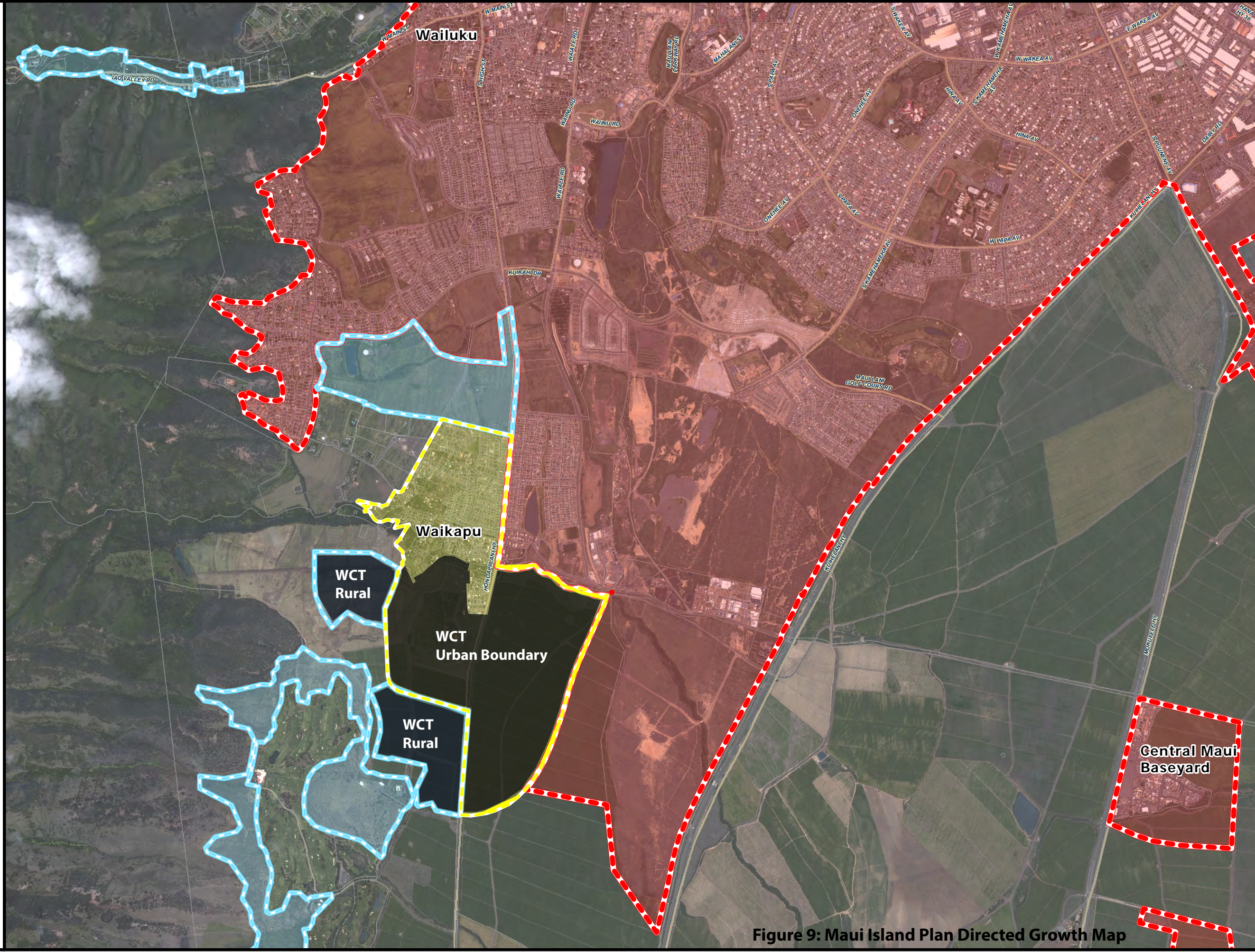
The majority of the future demand for housing will be in Central Maui. According to the County's Land Use Forecast (November 2006), there will be a demand for an additional 16,549 residential units within the Central Maui region by 2030. This demand will have to be met by new housing developments on both entitled and non-entitled lands. However, a critical constraint to the development of future housing in Central Maui is the availability of potable water. Due to a current shortage of County water to support future Central and South Maui development, the County is not approving new subdivisions unless those subdivisions develop their own water source. This requirement has stopped many projects from proceeding.

In December 2012 the County of Maui adopted the MIP, which set forth the County's first comprehensive island-wide managed and directed growth strategy to address housing demand through 2030. The MIP identifies several "Planned Growth Areas" where future growth will be directed. The subject property is one of these Planned Growth Areas, receiving an allocation of approximately 1,433 residential units (See: Appendix C, "MIP Planned Growth Area Description"; Figure No. 9, "Maui Island Plan Directed Growth Map"; and Figure No. 10, "MIP Wailuku/Kahului Planned Growth Areas"). Additional housing may be built within the WCT, but it would be required to be affordable workforce housing that exceeds County requirements and/or Ohana units.

It should be expected that as demand outpaces supply at an accelerating rate, housing prices will continue to escalate, which will further exacerbate Maui's affordable housing problems. The proposed project is addressing a critical community need by supplying an additional supply of housing to an underserved market.

## C. PROJECTED MARKET DEMAND

A market study and economic and fiscal impact assessment was conducted by the Hallstrom Appraisal Group | CBRE, Inc. for the FEIS, which is included in the Project Assessment Report as Appendix A. (See pages II-23 – II-27 of the FEIS and Appendix A of the FEIS).



# Maui Island Plan Directed Growth Map

Waikapu / Kahului  
C3

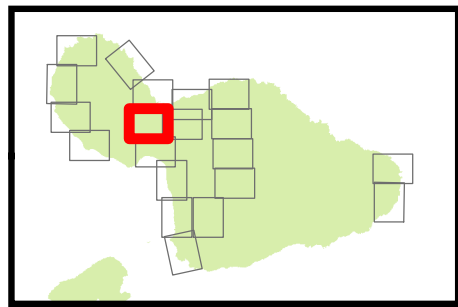
### Legend

**Growth Boundaries**

- Urban
- Small Town
- Rural

**Reference**

- 2011 Parcels
- Primary Roads



0 500 1,000 2,000 3,000 4,000 Feet

Product Code: M-CET\_20121210-D2  
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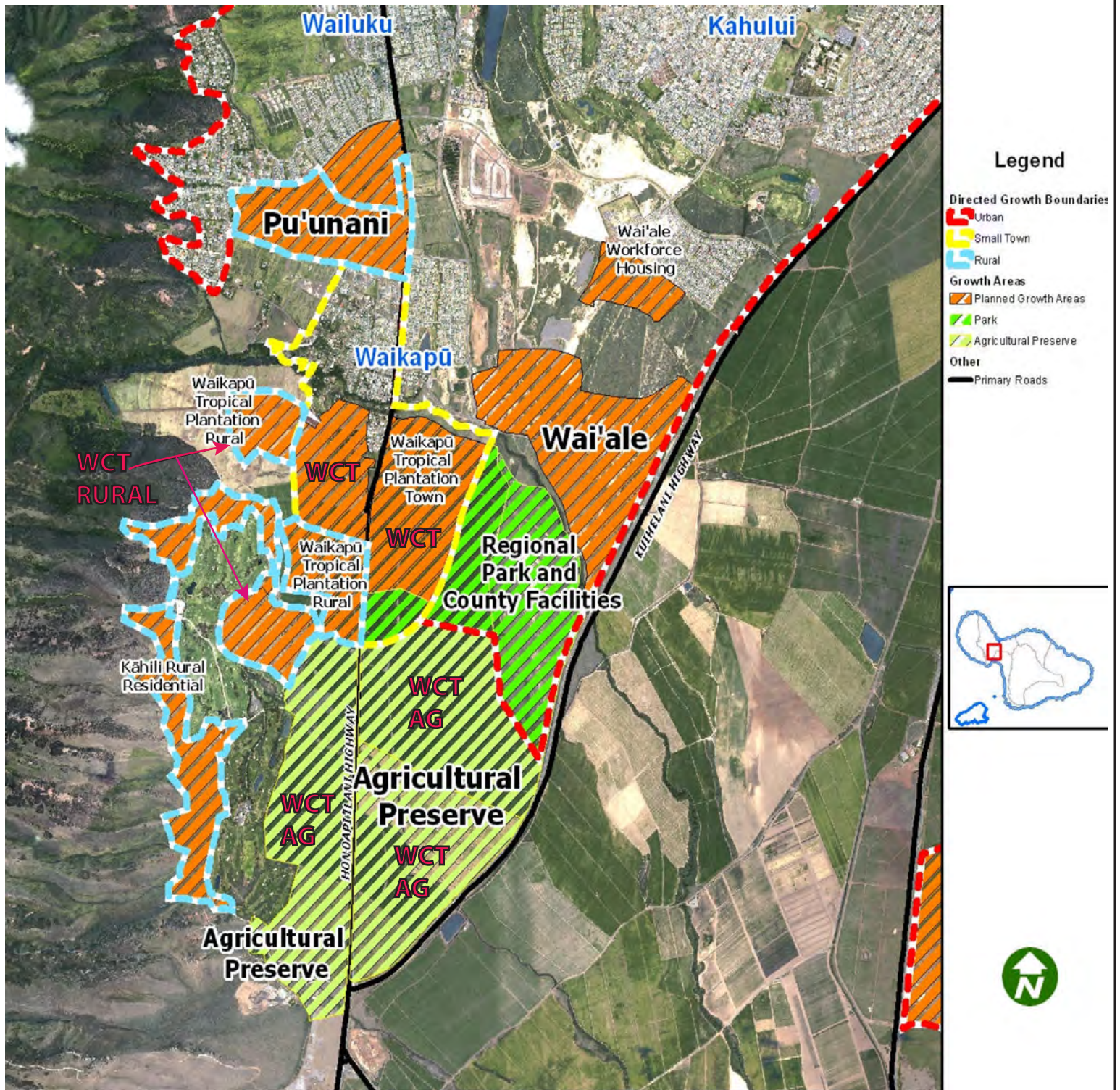
Background Image: Worldview 2 - 2010

**This is not a zoning map. Please contact the Planning Department for Zoning confirmation.**

PREPARED BY:

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Figure 9: Maui Island Plan Directed Growth Map



Source: Maui Island Plan, Department of Planning, Long-range Planning Division, December 2012

**Figure 10**  
 Maui Island Plan  
 Wailuku-Kahului Planned Growth Areas



Not to Scale



PLANNING  
 CONSULTANTS  
 HAWAII, LLC

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The purpose of the market study is to determine if there will be sufficient market demand to absorb the proposed residential and commercial development during a reasonable exposure period given competing developments and projected statewide/regional market trends.

According to the Hallstrom | CRBE study, it is estimated the demand for new residential units in the Wailuku-Kahului study area will be from 9,647 to 16,814 units over the next 21 years (through 2035); including allowances for non-resident purchasers and vacancies, with a mid-point demand of 13,230 units. The number of existing unsold and planned resident housing units within the regional "Directed Growth Boundary", excluding the proposed WCT product, totals some 7,296 units. This indicates there will be a shortfall in the sector of from 2,351 to 9,518 new residential units; with a mid-point under-supply of 5,935 units. Thus, sufficient unmet demand should exist to readily absorb the 1,433 units of subject inventory during the projection period.

The Hallstrom | CRBE study estimates that the 1,433 proposed residential units of WCT will require about 10 years to be fully absorbed following anticipated commencement of sales, at an average rate approaching 150 units annually. It is estimated the demand for neighborhood commercial space by WCT residents and day workers at build-out will be some 85,100 square feet, with patronage by guests in the community, other Waikapū households, and passer-byes contributing an additional 34,000 square feet of demand on a stabilized basis. The remaining 50,500 square feet (of the total 169,600 square feet of proposed new space) will be modestly absorbed over-time with specialized/niche businesses, many with cross-over appeal to residents and visitors, and keeping with the small town context. It is estimated that it will require about 12 years for the WCT commercial space to be fully absorbed.

## D. PHASING PLAN

The WCT will be implemented in two five year phases. Figure No. 11, "Conceptual Phasing Plan" and Tables 11, 12 and 13 are from the FEIS and show the Project's conceptual land use program for Phase I - 2017 through 2021 - and for Phase II - 2022 through 2026<sup>5</sup>.

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<sup>5</sup> The timing of Phases I and II is both contingent and dependent upon the timing of securing all necessary land use entitlements and development permits to allow for construction to commence. The acreage amounts shown in Tables 11-13 have changed slightly in response to updated metes and bounds surveying by Fukumoto Engineering, Inc.