

# MINUTES

## LAND USE COMMITTEE

Council of the County of Maui

Mitchell Paule Center

April 3, 2001

**CONVENE:** 6:30 p.m.

**PRESENT:** Councilmember Alan M. Arakawa, Chair  
Councilmember Patrick S. Kawano, Vice Chair  
Councilmember Robert Carroll, Member  
Councilmember G. Riki Hokama, Member  
Councilmember Jo Anne Johnson, Member  
Councilmember Dain P. Kane, Member  
Councilmember Michael J. Molina, Member  
Councilmember Charmaine Tavares, Member

**EXCUSED:** Councilmember Wayne K. Nishiki, Member

**STAFF:** Richelle K. Kawasaki, Legal Analyst  
Jo-Ann C. Sato, Substituting Committee Secretary  
  
Ken R. Fukuoka, Director, Office of Council Services

**ADMIN.:** Edward S. Kushi, Jr., Deputy Corporation Counsel, Department of the  
Corporation Counsel  
John E. Min, Planning Director, Department of Planning

**OTHERS:** Harold Edwards, Moloka'i Ranch, Ltd.  
DeGray Vanderbilt

**PRESS:** Tim Hurley, The Honolulu Advertiser

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**CHAIR ARAKAWA:** Okay, if I can have your attention please. I'm going to call the Land Use Committee meeting to order. . . . (*gavel*) . . . This evening we're going to be discussing Land Use 44 item, which is the bill for an ordinance to change the zoning from Interim District to H-1 Hotel District for the property situated in Kaunakakai, Moloka'i. This is the Pau Hana Inn property.

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**ITEM NO. 44: RE: REQUEST FOR A CHANGE IN ZONING FOR THE PAU HANA INN PROJECT (C.C. 00-225)**

CHAIR ARAKAWA: We have two testifiers today. And if anybody else wants to testify, please sign up quickly. We have a time limit of a half hour so we're going to try and get the discussion done in half an hour so we can proceed. If we don't have enough time, then we'll recess the meeting and we'll have to hold it after the Budget session. So because of request to try and bring this through and because it's a lingering item from the last Council, we decided to try and piggy-back at this tonight. So, Harold, if you'd like to . . . state your name and -- for the record, Harold.

**. . . BEGIN PUBLIC TESTIMONY . . .**

MR. EDWARDS: Good evening, Land Use Committee. It's a pleasure to have you here tonight on the island. Harold Edwards, Moloka'i Ranch. We're obviously in favor of the proposal. We do have an offer in escrow right now that we understand should close June 16<sup>th</sup>. That purchaser has indicated to us that their plan is to basically leave the facility as it is, renovate it and reopen it. So, it's something that the community is looking forward to and we support. So, we obviously support the measure. I'd be happy to answer any questions.

CHAIR ARAKAWA: Any questions? If not, thank you, Harold.

MR. EDWARDS: Thank you.

CHAIR ARAKAWA: DeGray.

MR. VANDERBILT: Thank you, Mr. Chairman and Members of the Land Use Committee. I've passed out a little ten-page handout that is going to be the basis for my testimony. But basically, as you know, everybody wants Pau Hana to reopen. They wanted it to reopen as a kama`aina hotel. They don't want time sharing and a lot of other things that would take the room inventory away so you couldn't have special events. And they would like . . . our planning commission although they didn't make recommendations, if you read the minutes, where we're trying to get conditions put on for no time sharing or make sure it doesn't become some other non-hotel use like a residential subdivision, multi-family or apartment which are all allowed in hotel zoning.

So what I've passed out is on Page 1, is the community plan map that shows the "H" there right on the bottom part for the Pau Hana Inn. It's right along the coastline in about the middle. Our community plan describes the "H" what it will

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be. And this applies to hotel designation, applies to transient accommodations which do not contain kitchens within individual units. Such hotel facilities may include permissible accessory uses primarily intended to serve hotel guests. And as you notice in our community plan, we have designations for duplex, single family, multi-family, which are all allowed under hotel district. But the community when they put that "H" there they wanted to preserve Pau Hana.

On Page 3, is a letter from Kalani . . . from Kekama Helm and he was at the last Land Use Commission hearing. He was supporting the community-based development. He didn't want it zoned unless it was for community-based development. I met with him this afternoon and on Page 4, he sent a message to Mr. Arakawa, Chairman of the Land Use Committee, saying that he supports the proposed conditions in the March 30 Pau Hana Ohana testimony. And those are attached on Page 5. And he circled the ones which were similar to the ones that he didn't want -- no time sharing, existing structures rehabilitated and open it as a full-service, affordable kama`aina hotel.

Page 5 - Harold mentioned that they had somebody in escrow. I got this out of a Land Use Committee binder this afternoon. And it's dated April 2<sup>nd</sup>, it's from Starn O'Toole . . . Todd Apo, there's a carbon copy sent to Moloka`i Ranch and C&K Hawai`i. And Harold is correct. They're planning to renovate, they're planning to keep it affordable, they want to put 40, up to 40 rooms in the new vacant parcels and they don't intend to time share but they say they can't commence any work. And it's very expensive work until the zoning is obtained. Now, they're in escrow now but somebody just fell out of escrow. There was an earlier letter in the file that these guys were back up and there was somebody else in escrow. But I guess that didn't go through. Hopefully, these guys will go through but if they don't and there's no conditional zoning, somebody could come in and do whatever they want.

Page 8, is just what hotel district zoning is. And the "x" under permitted use or what we're saying to not permit which would mean that if somebody bought it they'd have to keep it a hotel.

Then Page 9, is the conditional zoning which says, (b) the conditions shall be imposed if the Council finds him necessary to prevent circumstances which may be adverse to the public convenience and welfare. The condition shall be reasonably conceived to mitigate the impacts. And I think the conditions are really to say the community wants it to be a hotel and we're putting some conditions on there to coincide with the community plan designation.

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And then the last page is just an article that appeared when it closed in the Maui News.

So, basically, I would hope that you would support the conditions. I think the Ranch has said that it supports . . . it acknowledges that Pau Hana is a very important economic asset as a hotel to Kaunakakai. And in one of my March 30<sup>th</sup> testimony, I included a letter from their attorney to Charlie Jencks and in the conclusion, they said, Moloka`i Ranch is negotiating with two hotel purchasers. This has always been a hotel that has served Kaunakakai as a hotel for many years. It has been a community landmark and the only operation of its kind in town. To arbitrarily change its nature now would be against the best interests of the community and contrary to the community plan. And that's from the Ranch's attorney to Charlie Jencks.

So it seems like everybody wants the zoning, wants Pau Hana to open and wants it open as a hotel. And I'm hopeful tonight that you'll take some action on this Committee and run it through so these people that are in escrow or somebody else can get it going and get it reopened because we really need it here in Kaunakakai. Thank you.

**. . . END OF PUBLIC TESTIMONY . . .**

CHAIR ARAKAWA: Thank you. Any questions for DeGray? If not, thank you, DeGray. At this time, I'd like to ask the Council Chair and the member who lives on Moloka`i to introduce the Council members and Staff, Pat.

VICE-CHAIR KAWANO: On my far right, we have the Councilman from Hana, Bob, Bob Carroll. Welcome to Moloka`i, Bob. Then we have from Lahaina, Jo Anne Johnson. And then we have Alan Arakawa who is the Chairman of the Land Use and Alan is Wailuku. Am I right?

CHAIR ARAKAWA: Kahului.

VICE-CHAIR KAWANO: Kahului. I'm sorry. And the person sitting right next to me is Riki Hokama who is the Budget Chairman for tonight from the island of Lana`i where we came from last night and was blowing the hell out of Lana`i. And on my left is the young gentleman, school teacher, Mike Molina. Michael, welcome to Moloka`i. And of course, the woman on this side is Charmaine Tavares an old-timer and she's a . . . old-timer by that I mean on the Council. She's still a young lady. And then we have Junior. Junior is from Corp. Counsel. And then

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we have the man who is taking all the lumps from the Planning Commission [*sic*], John Min. And then our staff we have Richelle and Sato, Jo-Ann Sato. Both of them are from the Council Office. I believe that's it.

CHAIR ARAKAWA: That's it.

VICE-CHAIR KAWANO: That's it, Mr. Chairman. Thank you.

CHAIR ARAKAWA: Thank you, Chair Kawano. At this time, I'd like to have John Min go over the bill that has been passed on to us from the Planning Commission.

MR. MIN: Thank you, Mr. Chairman. Just a recap of the action taken by the Moloka'i Planning Commission. The resolution . . . this proposed change in zoning was forwarded to the Planning Department and the Moloka'i Planning Commission by resolution. And this was done back in April 14, 2000. The Department referred the matter to the Moloka'i Planning Commission and on May 24, 2000, they conducted a public hearing. One person testified in support of the proposed resolution.

After reviewing this matter, the Commission voted to recommend approval of the change in zoning from County Interim to H-1 Hotel. There are no recommended conditions to be placed. The Planning Commission, if you've had a chance to review its minutes, did discuss various conditions but in the end voted to simply recommend approval of this resolution as transmitted.

I'd be happy to answer any questions.

CHAIR ARAKAWA: Thank you. Any questions for John? If you will note in the information that was sent to you that on May 17<sup>th</sup> there was a transmittal from Barbara Haliniak who is the Chair of the Moloka'i Planning Commission and basically within this it's 5.89 acres. The owner is Moloka'i Ranch. The change is from Interim to Hotel-1. And if you look at the 3<sup>rd</sup> and 4<sup>th</sup> pages they go over some of the justifications that they have. And basically they have asked us to expedite or fast track this zoning request but they have put no conditions on it. We have received some request for conditions as DeGray has brought into us. And on Exhibit 5 of the handout that he handed out tonight, we have the conditions that they would like us to attach. Are there any conditions that the Committee members would like to see or discussed? Riki.

COUNCILMEMBER HOKAMA: I'd be interested in what you, as the Chairman, is recommending as conditions for the committee.

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CHAIR ARAKAWA: As Chairman of the Committee, what I'm going to be recommending is that we put in two conditions -- prohibiting time shares, and the reason for prohibiting time shares is because we want this to be used as a hotel and not to have all of the times within the units tied up. So we want it as a residential hotel where people here can use. And under Exhibit 5, if you look at Condition 5 - the Pau Hana's Bengalese Banyan tree and its Hou tree, the two historic trees, I would recommend that we have them protected and preserved. So we put that as a condition.

COUNCILMEMBER HOKAMA: Question, Chairman?

CHAIR ARAKAWA: Go ahead, Rick.

COUNCILMEMBER HOKAMA: Mr. Min, what was the discussion regarding limiting the amount of permitted uses on the zoning request?

MR. MIN: I'm referring to the minutes of the May 24<sup>th</sup> meeting of the Planning Commission.

. . . Councilman Hokama, if my memory serves me right at the meeting of the Moloka'i Planning Commission, I do not believe they discussed any specific limitations on uses. They did talk about time share. There was some discussion about that. But I don't recall any other discussion regarding restricting other uses.

COUNCILMEMBER HOKAMA: Okay, thank you. Chairman, are you going to recommend any restrictions on permitted uses?

CHAIR ARAKAWA: No. I'm just recommending those two conditions and passage. If there are any other conditions you would like to see at this time I'd like to hear about them. Chairman Kawano. Pat.

VICE-CHAIR KAWANO: Mr. Chairman, I have a question for John.

CHAIR ARAKAWA: Go ahead.

VICE-CHAIR KAWANO: John, the condition that the Chairman is asking for, do you see any problem with that?

MR. MIN: I think those conditions would appear to be appropriate as determined by the Council. There was discussion again at the Commission meeting regarding concerns over time share. And the two trees, the trees at Pau Hana Inn I think

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for most of us who are familiar with the property, they are significant trees and I think that would be an appropriate condition.

VICE-CHAIR KAWANO: John, uh, Chairman, can I continue? Thank you. John, do you see anything else that maybe we should look at and would recommend, you would recommend?

MR. MIN: Perhaps just to summarize the discussion of the Planning Commission. When the Planning Commission reviewed this, they were considering recommending conditions to the proposed zoning. However, in the end it was pointed out that if there are going to be major changes to the property in terms of redevelopment, for example, that those plans would be subject to approval by the Moloka'i Planning Commission through the SMA permit process. So the Planning Commission appeared to be satisfied that if there are any major changes to the project and improvements to the property, that the Planning Commission would have the review and approval authority over that through the Special Management Area Permit requirement.

VICE-CHAIR KAWANO: Thank you, John. Thank you, Chairman. I have no further questions.

CHAIR ARAKAWA: Okay. Does anyone else have any suggestions or . . . Bob?

COUNCILMEMBER CARROLL: Thank you, Chair. In light of what John said, I believe that, that is true that the Planning Commission will have some oversight. However, I would definitely want to add 2 and 5 into here and if it's appropriate that I do it at this time.

CHAIR ARAKAWA: So noted.

COUNCILMEMBER CARROLL: Thank you.

CHAIR ARAKAWA: Is there any other discussion? If not, I'm going to ask for a motion. The Chair is going to recommend approval of the Pau Hana Inn to H-1 zoning with the conditions time share sale shall be prohibited and Pau Hana's Bengalese Banyan tree and its Hou tree, the two historic trees of significance, will be protected and preserved.

COUNCILMEMBER CARROLL: Second.

CHAIR ARAKAWA: No.

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VICE-CHAIR KAWANO: So move.

CHAIR ARAKAWA: Moved by Pat. Second?

COUNCILMEMBER CARROLL: Second.

CHAIR ARAKAWA: Seconded by Bob.

MR. KUSHI: Mr. Chair.

CHAIR ARAKAWA: Yes.

MR. KUSHI: Chair, excuse me. One clarification -- it should be time share sales and use?

CHAIR ARAKAWA: Yes.

MR. KUSHI: Right.

CHAIR ARAKAWA: Okay. So everybody is clear about time share sales and use? Okay. Any discussion? If not, all those in favor say aye?

COUNCILMEMBER TAVARES: Aye.

VICE-CHAIR KAWANO: Aye.

COUNCILMEMBER HOKAMA: Aye.

CHAIR ARAKAWA: Opposed? Motion carried.

**VOTE:       AYES:       Councilmembers Carroll, Hokama, Johnson, Kane, Molina, Tavares, Vice-Chair Kawano and Chair Arakawa.**

**NOES:       None.**

**ABSTAIN:   None.**

**ABSENT:    None.**

**EXC.:       Councilmember Nishiki**

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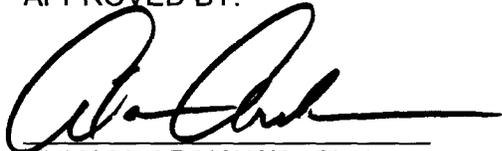
**MOTION CARRIED.**

**ACTION:** **FIRST READING** of proposed bill, as revised, and **FILING** of communication (*Note: The two conditions added were time share sale shall be prohibited and Pau Hana's Bengalese Banyan tree and its Hou tree, the two historic trees of significance, will be protected and preserved*)

**CHAIR ARAKAWA:** There being no further business by the Land Use Committee, meeting is adjourned.

**ADJOURN: 6:50 p.m.**

APPROVED BY:



ALAN M. ARAKAWA, Chair  
Land Use Committee

Transcribed by: Jo-Ann C. Sato

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