

LAND USE COMMITTEE
Council of the County of Maui

MINUTES

February 11, 2010

Site Inspection

CONVENE: 3:00 p.m.

PRESENT: VOTING MEMBERS:

Councilmember Gladys C. Baisa, Chair
Councilmember Sol P. Kaho`ohalahala
Councilmember Danny A. Mateo
Councilmember Bill Kauakea Medeiros
Councilmember Wayne K. Nishiki
Councilmember Joseph Pontanilla
Councilmember Michael P. Victorino

EXCUSED: VOTING MEMBERS:

Councilmember Michael J. Molina, Vice-Chair
Councilmember Jo Anne Johnson

STAFF:

Carla Nakata, Legislative Attorney
Scott Jensen, Legislative Analyst
Clarita Balala, Substitute Committee Secretary

ADMIN.:

Joseph Prutch, Planner, Department of Planning
Jeffrey Ueoka, Deputy Corporation Counsel, Department of the Corporation
Counsel
Nelson Hamilton, Police Officer, Department of Police

OTHERS:

Item 28: Clay Rumbaoa, Senior Project Coordinator, Castle & Cooke Resorts, LLC
Kristofer Baptist, Project Coordinator, Castle & Cooke Resorts, LLC
James Johnson, Castle & Cooke Resorts, LLC (videographer)
John Stubbart, Lanai Water Company, Inc.
Mich Hirano, Project Manager, Munekiyo & Hiraga, Inc.
G. Riki Hokama
Sally Kaye
Ron McOmber
Archie Nahigian

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Others (1)

**LU-28 DISTRICT BOUNDARY AMENDMENT AND CHANGE IN
ZONING FOR MIKI BASIN HEAVY INDUSTRIAL AREA
(LANAI) (C.C. No. 09-293)**

The Committee assembled on Miki Road at the existing Miki Basin Heavy Industrial site, adjacent to the proposed expansion area, approximately 1.2 miles south of the intersection of Miki Road and Kaunalapau Highway, just past the Maui Electric Company power-generating station, at the top of the hill.

Chair Baisa convened the site inspection to allow the Committee members an opportunity to view the subject property and the surrounding area.

Three individuals testified.

Ron McOmer stated that the reason the Lanai Planning Commission made no recommendations on the project was because it ran out of time. Six or seven conditions were recommended by the Department, but the Commission had bare quorum. Mr. McOmer said he would like to have the conditions resurrected when the Committee has its hearing. He noted that half of the acreage of the existing Heavy Industrial site should be sold in fee, the prime part of the property is flat, and none of it has yet been sold in fee. Mr. McOmer stated the hillside is the ugliest part of the property. He noted the need to move Heavy Industrial uses out of the city and bring them to the site. He urged that the recommended conditions be considered in a formal meeting, and said that one needed to be at the property to understand how hilly and ugly it is.

Archie Nahigian questioned the project, stating that until Castle & Cooke Resorts, LLC (C&C) honors its agreement for the first 13.9 acres, how can it be granted further zoning for 6 more acres? He said that C&C has had use of the land, and that the land should have been sold, under an agreement, to the public. In C&C's presentation to the Committee, C&C mentioned that rezoning would increase the value of the property. He said, if he read the statement correctly, the value would be for the entire 20 acres, not only for 6. The actual increase C&C is talking about for 6 acres is about \$3,000. He said C&C has been given value already by the zoning in 2000, and that the 2000 agreement should be honored before C&C is given increased value with additional Heavy-Industrial-zoned land. Mr. Nahigian also provided written testimony (a copy of his correspondence dated July 22, 2009 to Member Kaho`ohalahala) relating to a request to restore zoning granted to C&C under Ordinance Nos. 2894 and 2895.

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Sally Kaye stated she was the Chair of the Lanai Planning Commission when the matter came before it. One of its main concerns was that offering the property for sale is not the same as selling it. As Mr. McOmber alluded to, there is a 1994 agreement to convey. The agreement has not been upheld, so why should additional entitlements be given? She said the Commission did vote on two conditions, but did not have time to recommend additional conditions.

Member Kaho`ohalahala asked why the Lanai Planning Commission had been unable to complete its work.

Ms. Kaye said questions came up for which the Commission could not get answers. Also, the Department of Planning did not let the Commission know about time limitations that applied to its consideration of the application.

There being no further testifiers, the Chair closed public testimony at 3:14 p.m.

Mich Hirano, Project Manager, Munekiyo & Hiraga, Inc., provided an overview of the site. He noted that the Committee's meeting location was at an elevation of approximately 1,260 feet. The property slopes down to about 1,211 feet, for a 50-foot drop across the property. He stated the corner flag was on the southernmost corner of the property. He pointed out the boundaries of the 6-acre parcel. He noted a flag on a little bush which represented the northern boundary.

Mr. Hirano stated that Miki Road is a private road right now. There is an easement for a 44-foot-wide right-of-way. C&C will be required to increase the pavement width to 20 feet. The proposal is to put the roadway down where the fence line is to the end of the project area, and then subdivide it, creating two 10-acre parcels. C&C would further subdivide fee parcels to a 10,000-square-foot minimum, which is allowed by Heavy Industrial zoning. C&C plans to relocate industrial uses currently in Lanai City. Lanai Water Company's base yard, office, and administration will move here with about 2 acres. C&C's fleet, consisting of buses, vans, and vehicles for resort uses will be relocated to the site. C&C has a trucking company at the commercial harbor which will be brought over to the site. It will also relocate its laundry facilities here. It plans to get industrial uses out of the city and convert those lands to uses that are more compatible with a country-town site.

Member Pontanilla asked what will happen to the existing fire station that is adjacent to some of those uses when C&C moves? Will the fire station's lease be extended?

Clay Rumbaoa, C&C Senior Project Coordinator, stated that C&C has no plans to move the fire station. He does not know the details of the lease, but is sure C&C would be open to renewing the lease.

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Member Pontanilla asked about the possibility of having something in writing to guarantee that.

Mr. Rumbaoa said he would look into it.

Member Kaho`ohalahala asked about the proposed plan for the area. How would waste be handled, and how would impacts from the industrial uses be mitigated?

Mr. Rumbaoa stated there are several scenarios for the areas that are to be vacated. One possibility would be to put the areas to multi-family use, another would be commercial. He said C&C is open at this point regarding waste mitigation; current plans are for a septic system. C&C will make provisions for waste. If waste is hazardous, there will be containment. When C&C goes through the subdivision phase, it will handle the details.

Member Kaho`ohalahala referenced a heavy machine area whose uses C&C planned to relocate to the site. He questioned whether there would be Brownfield issues related to that area.

Mr. Rumbaoa stated C&C would do an Environmental Protection Agency (EPA) Phase I investigation. If there are issues, C&C will do a Phase II investigation, find out how deep those issues occur, and come up with a remediation plan. He said he understands there were tanks there, and that C&C will have to deal with those.

Member Kaho`ohalahala noted concerns over the historical preservation of Lanai City.

Mr. Rumbaoa stated C&C representatives would attend the community meeting and listen. He said he cannot provide concrete answers at this time.

Member Nishiki asked C&C to respond to the earlier testimony about prior commitments that remained unfulfilled, and to acknowledge what has been done about those commitments.

Mr. Rumbaoa stated C&C intends to honor the 50-percent-fee commitment. Once it does the whole subdivision, C&C will offer 10 acres for sale.

Member Victorino asked whether C&C's past agreements will be part of the Committee's review.

Chair Baisa stated they would be part of the Committee's review.

Member Nishiki stated the Committee needs some sort of an assessment of what C&C thinks the land will sell for and its valuation.

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Mr. Rumbaoa agreed to provide the information. He noted C&C plans to utilize the fair market value of similarly zoned property. He stated that on Lanai, there are no comparables, and that C&C may need to use Maui island comparables in its valuation.

Chair Baisa stated she thought that would be prudent. She noted she did hear a request from Ron McOmber that the Committee have its meeting here on Lanai, and said it is the Chair's intent, if practicable, to have the meeting here.

Member Kaho`ohalahala asked whether, since the agreement was done in 1994, C&C would be looking at 1994 prices as a comparison.

Mr. Rumbaoa stated he did not know.

Member Pontanilla asked about Federal Aviation Administration (FAA) issues.

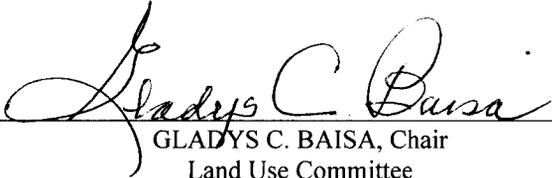
Member Nishiki stated he would like the testimony from Archie Nahigian put in the Committee record. He also requested that staff review some of the conditions previously put on the property by the Council.

Mr. Hirano stated his understanding is that the conditions put on the existing Heavy Industrial site were done in 2001.

Member Nishiki said that on Lanai, where there is one major landowner, that landowner needs to be held to what it represents. He asked that C&C follow through with its representations.

There being no further questions or discussion, Chair Baisa thanked the Committee members and adjourned the inspection at 3:32 p.m.

APPROVED:


GLADYS C. BAISA, Chair
Land Use Committee

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