

Meeting Summary - Lāna`i CPAC Mtg. 4

February 6, 2013 / 6:00 – 9:00 PM

Lanai Senior Center, 309 Seventh St. Lāna`i City, Lāna`i, HI 96763

Attending: Community Plan Advisory Committee

<i>Chris Costales</i>	<i>Deborah de la Cruz</i>	<i>Ernest Magaoy</i>	<i>Butch Gima</i>
<i>Caron Green</i>	<i>Matt Mano</i>	<i>Ron McOmber</i>	<i>Stan Ruidas</i>
<i>Alberta DeJetley</i>	<i>Charles Kaukeano</i>		

County of Maui – Planning Department

<i>David Yamashita, Long-Range Planning</i>	<i>Kathleen Kern, Long-Range Planning</i>
<i>Mary Jorgensen, Long-Range Planning</i>	<i>Doug Miller, Long-Range Planning</i>

Consultants

Jen Maydan, Chris Hart & Partners

Absent: *Jeffrey Baltero, Jarrod Barfield, and Joe Felipe (CPAC)*

Public: *Pat Reilly, Sue Murray, Wallace Stalker, Diane Preza, Roselani Kaho`ohalahala, Kaulana Kaho`ohalahala, Simon Tajiri, Charlotte Menze, Michael Hurte, Nicholas E. Palumbo II, Mark Sacco, Henry Clay Richarson, Elaine Londreur, Robin Kaye, Keoki Kerr, Chester Koga*

A. CALL TO ORDER

Butch called the meeting to order at 6:00 PM. He noted that there will be two opportunities provided for public testimony.

B. PUBLIC TESTIMONY

Pat Riley suggested that the community read the Draft Community Plan since it is available on the County's website. *Pat* noted that the "Existing Conditions" on pg. 6-2 of the draft plan are changing by the second; therefore that section of the plan should be continuously updated. He suggested that the staff keep a "Parking Lot" list at the CPAC meetings to make sure all issues raised by the CPAC members and the public are addressed.

Pat recommended that when the CPAC reviews Chapter 3 they write a recommendation to the Lāna`i Planning Commission (LPC) to adjust the Special Management Area (SMA) boundary for Lāna`i. He noted that the Club Lāna`i area experiences flooding and sea level will rise and the SMA needs to address these issues. He also noted that past rock piling activities in the Club Lāna`i area have impacted the church.

Kathleen noted that staff will address the evolving existing conditions sections and she stated that the "Parking Lot" list is a good idea and will be used. *Kathleen* also pointed out the graphic on the wall, from the sketch at the previous meeting that shows the interaction between the county, Lāna`i. Resorts, and the community and how they are all responsible to develop a better future for the island. *Kathleen* said that the SMA boundaries might be

better handled in the Land Use chapter. Pat said he'd like to see it in the Economic Development chapter since it could have economic impacts.

Butch asked the CPAC and the public whether there were any comments on the appropriateness of the Lana'ians for Sensible Growth panels being on display at the meetings. No one had any comments.

Public testimony closed.

C. REVIEW AND RECOMMENDATIONS: DRAFT COMMUNITY PLAN UPDATE

Lāna`i's Future

Kathleen noted that a full version of the draft guiding principles developed at the last two meetings was provided on a handout to the members and public. She also reminded the public that the draft plan, as well as background materials, is available on the County's website.

Kathleen stated that staff has identified the need to add another public workshop to the schedule of CPAC meetings. The additional workshop will focus on cultural and natural resources. She suggested scheduling the workshop for Thursday, April 4 at 5:00 P.M. Caron asked if the CPAC members are required to attend and Kathleen noted that they would need quorum. Kathleen noted that the workshop would consist of hands-on activities working with maps to identify significant natural and cultural resources and areas. Caron noted that the workshop, as well as all CPAC meetings, should be well publicized. The members discussed the feasibility of holding the additional workshop on April 4 and decided that it would be acceptable.

Economic Development

Kathleen introduced John Knox, noting that he authored the Lāna`i Economic Development Issue Paper, and encouraged the CPAC and public to ask him questions.

Robin Kaye asked who was interviewed for the issue paper. John Knox stated the issue paper was based on interviews as well as a significant amount of secondary research. He intended it to be somewhat of an economic data book for the Lāna`i community. He said that the issue paper lists about 30 interviewees, but noted that this is not an exhaustive list of persons interviewed since some desired to be anonymous. He stated that Lāna`i community members, Castle & Cook employees, and industry specialists were interviewed. Robin asked if the full version of the issue paper is available on the website and Kathleen stated yes.

Caron asked how the CPAC could obtain more detailed data on Lāna`i's population breakdown. John Knox recommended the Census Bureau website. He also recommended contacting Jan Nakamoto at the Hawaii State Data Center (DBEDT).

Butch asked John Knox to explain import substitution and export enhancement as discussed in the issue paper. John Knox explained that money leaks out of Lāna`i's economy when services and goods are imported. If imports can be substituted with Lāna`i generated goods and services more money stays in the Lāna`i economy. Enhancing exports also increases Lāna`i's economy. Tourism is an export industry if you are spending money outside of the island and the idea is to capture the money on island. John suggested increasing money flowing in and then keep more of it. Ron noted that hunting brings a significant amount of money into Lāna`i's economy. He identified the

lack of reliability of air travel to the island as an economic development problem and suggested that economic development should include more than hotels.

John Knox noted that there exists very little detailed economic data specific to Lāna`i. He noted that data such as how much Lāna`i money is spent on Maui for services would help to understand where import substitutions are possible.

Butch asked John Knox to identify five primary problem areas for Lāna`i's economy. John identified the following:

1. Visitors feel that there is not enough to do on Lāna`i;
2. Transportation (air and shipping);
3. Challenging to bring agriculture back to the island;
4. Tension between community and company was a major issue in the past but he noted that the new ownership appears to be restoring trust. He noted that no office in County government is elected directly by Lāna`i people.

Butch asked if John Knox had any new comments with now having the knowledge of the sale of the island. John commented that he thinks the recommendation in the draft plan to establish a rural communities economic development specialist position at the County is a good idea and noted this person needs to already have seniority and skills. Butch asked if there are concerns with the skills of Lāna`i's workforce. John responded yes, adding that education and skills always affect economic prosperity. Ron stated that water is the main issue and the plans for desalinization will ease some tensions. John responded that he is not an expert in desalinization, however, he knows it is economically difficult but if someone is interested in taking the long view and doing this that it will be interesting to follow.

Caron asked if there is anything the CPAC can do about Molokai and Lāna`i being charged for two legs for shipping. John responded that he did not know the specifics as the report was written two years ago, however a new carrier can't get into the harbor. This is the reason Young Brothers feels at a competitive disadvantage. Young Brothers has said that they are trying to honor their commitment to Lana`i and Moloka`i but have concerns about sustaining this commitment. Alberta stated that Lanai Oil Company is a guaranteed payload to Lāna`i and return to Oahu for Young Brothers. She stated that Young Brother's profitable routes subsidize routes to Lāna`i and Molokai. She also stated that with the new owner of Lāna`i there will likely be more activity to the island.

Butch asked if Debbie or Ernest had any questions. Ernest said no. Debbie asked John Knox if he considered the big wind community benefits package to no longer be valid. John Knox responded that the state now seems less likely to push for big wind, but he has as many questions as she has.

Kathleen introduced Doug Miller, new Long-Range Division planner, to the CPAC.

Butch read a written public testimony regarding big wind.

Alberta stated that on Wednesday, February 13 at Hale Kupuna there will be meeting held by the PUC and HECO regarding renewable energy.

Kathleen provided a brief presentation to frame the upcoming economic development discussion. Kathleen said that the Community Plan is the County's and the community's plan and not the owner's plan – they have their own plan.

Economic development was discussed in terms of sustainability. Kathleen told the CPAC members that sustainability is not only about environmental sustainability but also social and economic.

Two methodologies may be relevant to understanding how Lana`i could develop into a more sustainable island: *Carrying capacity* is the measure of how many people the island can support without causing environmental degradation – in the case of this island, water is the most limiting factor. *Ecological Footprint* is a methodology for understanding the environmental impact of human communities by calculating the amount of land area required to support all the resources consumed by a community: shelter (and the building materials it requires), food, fuel, water, transportation, etc.

North American communities have rather large ecological footprints – that is, we consume much more land area than we actually occupy. Kathleen suggested that as we develop the update to the Lanai Community Plan, we should think about how to reduce the ecological footprint of the island.

Another particular challenge Lana`i faces is that many components of the ‘public realm’ – i.e. Dole Park, the swimming pool, etc are actually owned and operated by the Company: this may not be sustainable in the long term.

Finally, Kathleen challenged CPAC members to think about what kind of economic development, and for whom, does the community want? Will large corporations be the primary actors? Medium sized companies (from elsewhere in the State or Maui County) or should local Lana`ians be encouraged to start new businesses and economic ventures?

Kathleen stated that the staff’s task was to develop a draft update of the community plan and most of the research was done during 2010 and 2011 – prior to the recent change in ownership. She stated that some items in the chapter may not be relevant anymore and they are open to suggestions and changes. She suggested that the CPAC move through the chapter from issues and strategies through to policies and actions and provide recommendations for additions or changes.

Butch asked if the CPAC had any questions. Ron asked what can be done about the existing MOA’s between Castle & Cooke, the County, and the community. Debbie asked if the new owner is responsible for the old owner’s contracts. Butch responded, usually yes. He stated that the CPAC should develop policy language addressing this issue. Ron restated that this needs to be in the new community plan. He noted that if the community is going to have opportunities to have businesses then they will need land. All the community got is hotels and they didn’t get the light industrial land.

Butch suggested they start with the problem statement. He asked if everyone agreed with the economic development issues in the draft plan. All members stated yes. Kathleen asked if they wanted to add a statement regarding the previous agreements/MOAs. Ron stated yes. Butch said perhaps the MOAs are not specifically tied to the economic development chapter. Debbie suggested they be addressed in the overall problems section.

Kathleen reviewed the issues and strategies in the draft plan and asked for changes/suggestions. Alberta stated that the County’s regulations for B&Bs and short-term rentals are not applicable to Lana`i. She also stated that they need to work more with the Hawaii Visitor’s Bureau to improve marketing of the entire island to the kama`aina tourism market. Caron stated that marketing to the Mainland needs to improve also. Kathleen stated that strategies will be added to the plan about the need to improve marketing for the island. Ron

stated that visitors should be encouraged to visit local businesses and that the transportation needs to drop them off by local shops. When businesses operate they need to help other businesses in the area.

Caron asked if a strategy for Lāna`i B&Bs and short-term rentals should be included in the community plan. Alberta stated that the Lāna`i Planning Commission is addressing them. Stanley stated that the Lāna`i Planning Commission has deferred to the CPAC on that matter. Butch asked in what chapter B&Bs and short-term rentals should be addressed. Kathleen stated land use and perhaps housing and economic development too. Butch requested the issue be put in the parking lot. David Yamashita cautioned that the approval of the community plan is a long process and will not provide a quick solution to the issue.

Alberta mentioned the on-going issue with parking requirements in Lāna`i City and the need to get variances. Kathleen noted that the community plan is a guidance document not a regulating document. Ron said there should be a separate code for Lāna`i City because it is unique. Kathleen asked if the past tensions with Castle & Cooke Resorts should remain as an issue in the plan. Alberta stated that the strategy proposed in the draft plan to address this issue should be changed. She likes the new company's current strategy of meeting with small groups of community members.

Debbie stated that the plan should still address communication between the community and the company as an issue. Caron stated that the issue should be changed to convey there is no formal structure for communication between the company and community and the strategy should be to establish a strategy for communication. Butch asked if there should be a succession plan for the company since it is owned by one person. He asked if there were any other issues regarding the lack of business climate on the island. Alberta stated that it is challenging to acquire a lease to start a business.

Butch called for a 10 minute break at 7:37 P.M.

The meeting resumed at 7:48 P.M.

D. ADDITIONAL PUBLIC TESTIMONY

Butch opened the meeting up for public testimony, one minute per person.

Pat Riley stated that there is a need for high speed broadband and that Ellison may be able to help with that need. He stated that solving that issue would be an asset for economic development and healthcare on the island.

Kurt Matsumoto stated that Lāna`i Resorts will strongly promote efforts for two-way communication between the community and company. He stated that economic development will require growth in the island's population. He agrees that more lease opportunities are needed. Regarding marketing, he stated that the Hawaii Visitor's Bureau will never be the complete solution.

Ron asked if it is the company's responsibility to look at market needs when determining to give out leases. Kurt stated no, ultimately it will be the market that is the decision maker. He stated that Lāna`i Resorts may establish a resource to coach new small business on the island. Caron asked if the small population size is an issue for economic development. Kurt stated yes, but it is not enough to put in there to have economic growth – have to have the factors that cause that growth. Caron stated that it is a "chicken and the egg" situation.

Butch stated that the economic development goal is the same as in the 1998 plan except the word “sustainable” has been added. Ernest suggested that increasing the population be added as a goal. Caron asked if it should be an objective instead. Kurt cited a study that revealed that resort activity on the island peaked in the 1990s then declined. He stated that general economic development of the island probably followed the same trend. He stated that without population growth the island’s economy will be stagnant. Kathleen stated that Chapter 2 of the draft plan could include population projections and a goal, policies and actions. Butch stated that population growth is more of an assumption than an objective or goal.

Butch asked the members how they envision agriculture returning to Lāna`i – do they see agriculture as Pineapple Days or do they see agriculture as on the mainland with mechanical equipment and a few folks?

Alberta:

- Need to identify export crops
- Difficulty will be finding farm workers
- Need a co-op set up for farm equipment to be sustainable.

Ron:

- Pineapple production did not need to decline – it still would be interesting to tourists.
- Ag dependent on water
- Local people would rather be farming than working at hotels.

Debbie:

- Not large scale pineapple plantation but maybe small demonstration farm
- Could not retain the Mexican workers when they came to farm – the work was too hard.

Matt:

- People forget why pineapple is gone – poor wages and benefits and competition from the Philippines
- Majority of former pineapple workers happy to stop working in the fields and work in the hotels with benefits.
- Export crops vs. feeding the island vs. biofuels – if want to be sustainable, then getting off fossil fuels at 30% is not enough, need to do biodiesel at 70%
- Need to understand the company’s plans

Cheeky:

- Need education in fields regarding agriculture – grow taro, or in the Kamehameha schools.
- Hotels need to purchase Lāna`i produce
- Everything comes down to water.

Stanley:

- Modern agriculture (i.e. aquaculture, hydroponics, aquaponics, biofuels, etc.)
- Do fish farms as both fresh and saltwater.
- Raise trees that have leaves with medicinal properties.
- Mechanized farming – no one wants to work the fields

Ernest:

- Creative agriculture – add tourism – farm stays, farm tours, farmers working directly with businesses.

Christine:

- Determine what grows in each ahupua'a
- Permaculture – help with erosion problems
- Palawai grew the largest uala
- Grow what we can where we can and help the environment as well.

Butch noted that everyone has different ideas about agriculture on Lāna`i. Alberta mentioned that deer and nematodes are big problems for any kind of agriculture on the island.

Kathleen asked the CPAC to review and comment on the economic development policies in the draft plan. Butch noted that a new community development organization, "Lāna`i Changes" has been created. (Delete policy in draft plan?) Debbie suggested that the policy pertaining to the big wind community benefits package be deleted. She also suggested that a policy regarding preserving the Ka'a District be added to the cultural and/or land use chapter. Caron recommended adding a policy to improve overall education on the island and more diverse housing. Ron recommended adding a policy supporting a Lāna`i ordinance addressing B&Bs and short-term rentals. The requirement for the 500 foot circle does not work for Lana'i as that is half the town. Kathleen stated that the policy would be appropriate in the land use and housing chapters and that staff will gather specifics on necessary regulations from the CPAC to pass along to the Current Planning Division.

Butch asked if staff would revise the policies, etc. then give the back to the CPAC to approve. Kathleen stated yes that the last four meetings will look at things in more detail and then they can decide whether they want to adopt the changes. Chicky (Charles) asked if the policy regarding business support services pertained to both new and existing businesses. Kathleen said yes. Debbie stated that better ground transportation options are needed for visitors as the car rentals are very expensive and limit visitors experience here.

Butch asked who will be responsible for implementation of the community plan and why this time around will be different from past community plans. Kathleen stated that the Planning Department is aware of past difficulties with implementing community plans. She stated that MCC 2.80.B requires implementation and monitoring plans and financials for implementation items. She stated that implementation success also depends on the plan being realistic.

Butch stated that the 1983 community plan had a timeframe for implementation and suggested that a flow chart for implementation would be helpful. Kathleen replied that the plan will have graphics and illustrations. She asked for comments on the actions section. Alberta stated that action 6.01 should not be lumped with Molokai and Hana. Ron disagreed and did not see a problem with the three rural communities being lumped together. Butch asked Alberta if she thought an economic development specialist should be stationed on Lāna`i. She responded yes because Lana'i is an upscale market and a rising tide. She called on them to make Lana'i the best destination spot in the U.S. Kathleen said that during past discussions with the Office of Economic Development they indicated that they could only staff one position for the three rural areas. She also noted that since the recent purchase of the island by Ellison perhaps a partnership could be established between the company and the Office of Economic Development. Ron stated that agriculture water rates are needed. Alberta stated that it is unfair to expect the company to provide such cheap water. Butch noted that the economic development issue paper compares water rates and recommended that Ron review that section. Debbie suggested that policy # 9 include encouraging both leases and fee simple ownership. Butch stated that action 6.12 should include exploring the use of Federal Highway funds. Alberta stated that actions 6.05, 6.06 and 6.07 have been addressed and should be deleted.

Butch opened the meeting up to public testimony. No one testified.

Kathleen stated that staff would take the comments provided and make revisions to the chapter. Butch asked if there was homework for next week. Mary asked members to review the natural resources and environment section as well as the Rain Follows the Forest report for Wednesday. She asked members to review the infrastructure chapter and the Water Use and Development Plan for Thursday.

E. NEXT MEETING DATE: February 13, 2013 at 6:00 PM at the Lāna`i Senior Center

Butch asked if anyone would not be attending the next meeting. He noted that they would have quorum.

F. ADJOURNMENT

Action: Adjourn meeting.

Motion: Ron

Second: Stanley

Vote: 10 ayes. Motion carries.

Meeting adjourned at 9:00 P.M.

Note: Meeting Summaries, Presentations, Agendas and Background Meeting Materials can be found at the following link:

[HTTP://WWW.CO.MAUI.HI.US/INDEX.ASPX?NID=1685](http://www.co.maui.hi.us/index.aspx?nid=1685) and then click on agendas and minutes link.

Or at the County of Maui website: [Home](#) > [Departments](#) > [Planning Department](#) > [Division - Long Range Planning](#) > [Long Range Planning Section](#) > [General Plan 2030](#) > Lanai Community Plan Update 2013. Then click on agenda and minutes link.