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**MAUI PLANNING COMMISSION
PORTION OF REGULAR MINUTES
ITEM C-1
FEBRUARY 28, 2017**

Mr. Spence: The first public hearing item is Ms. Crystal Schmitt of Maui Dragon Fruit Farm requesting an amendment to their State Land Use Commission Special Permit to allow a vacation rental and our Staff Planner this morning is Gina Flammer.

C. PUBLIC HEARINGS (Action to be taken after each public hearing.)

1. **MS. CRYSTAL SCHMITT of MAUI DRAGON FRUIT FARM requesting an amendment to the current State Land Use Commission Special Permit, Conditional Permit, and Ordinance 4295 to allow for the transient vacation rental use of a two (2)-bedroom farm dwelling in the State Agricultural District at 833 Punakea Loop, TMK: 4-7-001: 044, Lahaina, Island of Maui. (SUP2 2014/0011) (CP 2014/0005) (G. Flammer)**

Ms. Gina Flammer: Okay, good morning Commissioners. I'm just gonna jump right into the power point. We don't normally provide you with paper copies, but with our secretary Carolyn gone I was just a little nervous but everything seems to be working okay.

So the amendment request the applicant is here for today is transient vacation rental which is rental that's less than a 180 days. You're probably wondering why it's not a short-term rental home application and that's because there's a provision in that Code where the dwelling must have been built at least five years prior to submitting the applicant and the dwelling that she wants to rent, the two-bedroom farm dwelling was built, completed in 2014. You may be wondering why when she came through the first time to get the Conditional Permit she didn't come in for this at the same time and I had even asked her about that. And at the time when she had projected her financials for the business and for the farming she didn't think that she needed it given the numbers that she was looking at. It wasn't till after the permit was issued she started trying to run the special events and realized she really wasn't getting any bookings, and the bookings she was getting was very small, not bringing in a lot of money so she started to look for other ways and this is one of the ways. I do believe it's rented now to contractors who will be finishing up with the project that they in not too long and moving onto their next project, their next location.

So there...I'm not sure how many of you were here for the existing permit. The Planning Commission did see this in 2015. It did make it to the County Council in February 2016 so about a year ago and that's when the original permits became effective. Those permits allow special events up to 50 guests two times a month. They end early at 8 o'clock. There's no amplified sound allowed. She is allowed one large event a year that's not money making operation it's more about promoting farming. And she does have to have a professional event planner. There's many more conditions as you know from reviewing these. They're included in the exhibits in the staff report to you. And then I included with the very first one was her request which is what I explained a little earlier. She's just not quite making the income that she thought originally.

So just as a reminder we're looking at Launiupoko more specifically the Makila Subdivision to the left. These are the large lots you can see the, it doesn't look pink there but you can see the lot up

1 on the screen. We have the site plan and you can see where the green circle is where the special
2 event area is and then up there where the red is where the farm dwelling is, two-bedroom, it's just
3 under 1,000 square feet. You can see it again circled in red on the right. That's the farm dwelling
4 that we're talking about today. You can see where the special events are held. That's what the
5 house looks like. Bamboo structure. It's got its own separate driveway that's up at the top. You
6 can see what the front, and then here's some pictures of the interior, two bedrooms, there is a loft
7 upstairs but it would just be the two bedrooms. There's the view from the front.

8
9 The Maui Dragon Fruit Farm if you'll recall it's the largest dragon fruit farm in the country. It's
10 about 15 acres, got lots of different varieties of the dragon fruit, over 2,500. But she's also been
11 diversifying into other crops. I know she's recently planted quite a bit of cacao. Got a lot of
12 papayas going on that are a good commercial crop for her. Bananas, there's pineapple on there
13 as well, soursop they're starting to plant and these are just some overview pictures of the entire
14 farm itself.

15
16 When the County Council looked at the original permit they did actually come out to the site and
17 take a look and they did make comments that it's quite a large farm and there's a lot of agriculture
18 going on. These are the dragon fruit plants themselves. Right there is one that's blooming. She's
19 got different staking methods that's she's been and different propagation methods that she's been
20 trying. That's what the fruit looks like once it's harvested. Here are some of the other types, the
21 bananas, you have the papayas, the pineapple, and then this is just gives you a little bit of example
22 of what she's producing.

23
24 So they just did a segment on Living 808 that was statewide where they came...I don't remember
25 the name of the T.V. personalities but they came and they did quite a nice segment on it. I didn't
26 want to show you the video, I thought it would take a little long so here's some pictures of it.

27
28 And in terms of, back to Planning, there were no comments from the State Office of Planning and
29 that's who reviews these applications. There were two letters of protests from neighbors, but I'd
30 almost call them letters of concerns. They're in your staff report. You saw them. They just really
31 didn't want it to become a party house. So I talked with one of the neighbors. I explained what
32 the condition would be. He felt pretty comfortable with it. He just wants to make sure that we're
33 able to enforce if it does get noisy up there, and I did explain that we have that ability. We have
34 an entire enforcement staff and a dedicated person right for that area. There were also 18 letters
35 of support total. I'm sorry, they came to you today. She had been collecting them all and then
36 gave them all to me at once. So they are on your desk as well as her responses to her neighbors
37 are also in front you.

38
39 So that's the end of the presentation, and then if you have any questions, I'm here as well as the
40 applicants are here.

41
42 Vice-Chair Duvauchelle: Thank you.

43
44 **a) Public Hearing**

1
2 The following testimony was received at the beginning of the meeting:

3
4 Ms. Grace Fung: Good morning Mr. Chairman and Planning Committee Members. My name is
5 Grace Fung. I'm here for the Maui Dragon Fruit Farm because as I am from a family of farming
6 and farming business, two generations and after the second generation the family stopped doing
7 farming because all my five siblings plus myself we said no to my family in terms of farming.
8 Farming and the business of farmers are so hard by just watching my parents doing farming is
9 waking up early mornings and working hard for their own family and producing also for the
10 employees. And the money comes and the money goes and with the uncertainty they had only
11 source of income is the vegetables, bananas and some sort of pigs farm too. And when the
12 weather is bad there's nothing they can do or sometimes when the crop gets problem there are
13 some losses too. There are also many from the government does not permit and I know that if
14 my family had other source of income would give them more how can I say, space to less worry.
15 My first language is Portuguese so I'm trying to communicate. So I'm here because I know the
16 owners of Maui Dragon Fruit Farm since 2013 and they are hard workers and what else, and if I
17 didn't know them, if I had received a request via for example, via public signature to talk about
18 them I would come even I didn't know them because I know that farmers and farming is hard
19 business and they need help, need support. Thank you. And hope that you...I'm here too,
20 because I presented my written testimony. I want to make sure that all of you read my written
21 testimony it's much better than my public speaking testimony. I get nervous. Okay, please
22 consider the request of Maui Dragon Fruit Farm because they have a family to feed. They have
23 also many families on Maui to feed with fruit. We need more farmers in Maui and having the
24 vacation rental granted is a kind of income for them to help them. Thank you so much.

25
26 Vice-Chair Duvauchelle: Thank you. Any questions for the testifier? Thank you. Our next testifier
27 is Amy Grace Worsham.

28
29 Ms. Amy Grace Worsham: I'm here to represent Tom and Rena. My name is Thomas Benjamin.
30 My wife, Rena and I live on Punakea Loop above the Maui Dragon Fruit Farm. I am writing to
31 you in support of Crystal and Larry Schmitt's application for the amendment to their Special and
32 Conditional Use Permit to allow short-term rental less than 180 days for their farm cottage. We
33 have known Crystal and Larry Schmitt ever since they moved to the neighborhood in 2012.

34
35 Mr. Higashi: Please talk into the mic. Thank you.

36
37 Ms. Worsham: They are hardworking farmers who sincerely want to make dragon fruit a viable
38 commercial crop on Maui. My wife and I had the chance to do some nighttime pollenating of the
39 dragon fruit flowers last summer. They are gorgeous flowers and dragon fruit is so delicious. We
40 are happy that we live close to an organic dragon fruit farm. We also know that they grow organic
41 lettuce in their Haiku farm and when the weather is good and the crops are doing well they always
42 share their fresh organic produce with us and other neighbors. It is so great that we have good
43 neighbors like Crystal and Larry. We know farming is a hard business. For farmers to survive
44 long-term it so helpful if they can have diversified income. We are in support of their efforts to
45 apply for an amendment to allow short-term rental in their farm cottage. Thank you.

1
2 Chair Duvauchelle: Any questions for the testifier? Seeing none, thank you. Our next testifier is
3 Rosa Paz-Jacobs.
4

5 Ms. Rosa Paz-Jacobs: Good morning. I'm here to support Crystal and Larry Schmitt. I'm here
6 to support them with their...for their application for the amendment to their Special and Conditional
7 Use to allow short-term rental. I've known Crystal for over 12 years. I have only been on the
8 island for a few years at that time. I was actually her secretary when she was the director of
9 engineering at Marriott Hotel. During that time, I could see her strength, hard work, her passion
10 about people and caring and over the years I've saw that transcend in different parts of her life
11 and work specifically in the farming business that she ran. I've been friends with her and visited
12 her dragon fruit farm and her farm in Haiku and I must say the food is delicious so much so it
13 wasn't until I visited her that it inspired me to have my own personal garden, six raised garden
14 beds. Understanding the importance of feeding your family, sharing with friends, about
15 community those are important for Maui and Hawaii. I didn't understand a lot about farming.
16 There were compelling stories that were passed down to me from my family coming and the south
17 being sharecroppers and the things they needed to do when it was harvest time not having
18 enough help, the weather, different adversities. But they did what they needed to do with other
19 resources to bring in income for their family and working together. We have, my husband and I
20 have ag property in Haiku in which we have fruits and vegetables and well, specifically the fruit
21 where we share and try to bring monies back into the community. And I hope that through this
22 process that they're going through that they're able to receive your permit. I'm here to say that
23 my husband and I fully support their effort to apply and obtain the special permit to diversify their
24 income for farming on Maui which helps Maui, Hawaii and transcends to world. Thank you.
25

26 Vice-Chair Duvauchelle: Thank you. Any questions? Thank you very much. Next testifier
27 Robert Mitnick. Do you choose to testify now or at the agenda item? Please step up to the
28 microphone please.
29

30 Mr. Robert Mitnick: Aloha and good morning to Chairperson and Members of the Planning
31 Commission. I'm here to support Crystal and Lawrence Schmitt in their Conditional Use Permit
32 to have a rental on their dragon fruit property. I've known them for many, many years. I've bought
33 their greens for all the events, for my taro burgers...(inaudible)...Hawaii Taro Company and I've
34 been the Dragon Fruit Company many times also their farm up in west side. And as has been
35 said here and everybody knows that farming is the most important job on earth pretty much so
36 aside from mom because our food to eat and farmers are mothers. They take care of baby plants
37 and grow them to fruition. These people work very, very hard. As you know farming is hard. It
38 has all the problems, hurdles of any business and then added to that is the weather that can
39 ...(inaudible)... a harvest all at one time. And they do need extra money to help keep in farming
40 and that's the most important thing for out islands and Maui is farming. That's our history. And
41 now we can grow healthy stuff instead of sugar for the world. And if we think ahead and take the
42 next ten years to clean up the land and be wise in long-term thinking about that it would be so
43 much better to have people like Crystal and Larry doing farming here and to be able to have
44 enough to send frozen and chill and dry foods to the mainland by sharing containers so the freight
45 will be better and we can bring in fresh money into the state. I think that's a very good future

1 rather than using the land for condos all the way to Hana, whatever and subdivisions and so on
2 and so forth which is a quick fast moneymaker, but in the long run I think we would be better off
3 and that would facilitate our tourist industry more because people would much better drive test
4 growing things instead of built things. And I think it's better for everything and it's very, very
5 important for them to do it. I hold them very highly for what they're doing. Thank you.

6
7 Vice-Chair Duvauchelle: Questions? Thank you very much.

8
9 This concludes the testimony received at the beginning of the meeting.

10
11 Chair Duvauchelle: Okay, we'll open up for public testimony again on this agenda item. Anyone
12 wishing to testify at this time? Please come forward

13
14 Ms. Dawn Boucher: Hi, good morning. My name is Dawn Boucher and I'm the operations
15 manager at the Maui Dragon Fruit Farm and I know other people have talked about it, but we're
16 actually doing really good up there. The fruit is starting to come in, but as you know, it really is
17 hard to make enough money from just farming to pay for everything and that's why we've tried
18 diversifying, we try doing these events but what happened with that is if you have to end your
19 event at 8 o'clock and you can't have any amplified music, it's just really hard. You know, we're
20 competing with the big hotels for these events. So places...and other places that aren't permitted
21 for these events and so we really haven't been able to generate any substantial revenue to help
22 us keep the farm going and to help us progress with the farm. We actually would like to plant
23 more stuff and do more ag up there, but we need money to do that. So that's why we're trying to
24 do the short-term vacation rental because that way we can hopefully make enough money to keep
25 going and to get this business to be profitable. As you can see we've gotten at least state news
26 we were featured on the Travel Channel last year. So not only are we providing food for Maui
27 and actually last year we shipped to Oahu some of our dragon fruit but we're also providing
28 exposure both in the state and nationally that benefits our visitor industry because we...you know
29 we do ag but then we also have visitors come up. People are very interested in organic farming.
30 They're interested in farming on Maui and dragon fruit and the different tropical fruits when you
31 come from Kansas or Ohio or Texas and you think pineapples grow on trees. It's really need to
32 be able to come and I think it will be really nice for people to come and actually be able to stay on
33 the organic farm, right? People want that. There's a real niche for that. So that's kinda why we're
34 asking for it. I don't think it's gonna adversely impact the neighborhood. There's plenty of vacation
35 rentals up in Launiupoko already as I'm sure you're aware. And that's it. That's all I have to say.
36 Thank you

37
38 Vice-Chair Duvauchelle: Any questions? Thank you. Anyone else wishing to testify at this time
39 on this agenda item. Seeing none, okay, questions Commissioners? Commissioner Canto?

40
41 Ms. Canto: Is it possible to ask a question of the applicant?

42
43 Vice-Chair Duvauchelle: Yes.

44

1 Ms. Crystal Schmitt: Aloha Commissioners and Chairman. My name is Schmitt and me and my
2 husband, Larry Schmitt are the owners of the dragon fruit farm.

3
4 Ms. Canto: Thank you. Thank you, Crystal. I just have a couple of questions and a concern, a
5 comment.

6
7 Ms. Schmitt: Sure.

8
9 Ms. Canto: So regarding your events, how is it working for you now...(inaudible)...

10
11 Ms. Schmitt: Believe or not we actually have zero...(inaudible)...bookings. We have two
12 weddings which are friends. And it's just...you know, we're not that pretty place. It's a real farm.
13 It's really difficult actually. It's not...you think you're gonna it, and you're gonna get business,
14 actually no. I have zero like real bookings. I have two friends get married there with friends and
15 then I think I have one ceremony in the morning, that's it. That's it.

16
17 Ms. Canto: Okay.

18
19 Ms. Schmitt: Yeah, I don't know how to make it better.

20
21 Ms. Canto: Okay, thank you. Thank you for that. And then based on the magnitude of your
22 operation, it looks like a large operation I hardly believe that you would consider it or I would not
23 consider it a party house.

24
25 Ms. Schmitt: Oh not at all, not at all. You know actually one of the neighbors who did concern
26 one of the letters. He's very happy. He basically had heard no noise, really no noise. We have
27 no business, so...And we're not intent...what happened is from the previous time I explained it, I
28 can explain it again, it's for a while we are using those big giant lights for try to induce the dragon
29 fruit flower in the winter. That's what they do in Vietnam. In Vietnam they can produce dragon
30 fruit all year round and we cannot. So we research this, it was Dr. Boucher which is my friend
31 and manager. She did all the research. We think we can trigger...that's what they do, they trigger
32 the flowers by shining of the bright lights at night and we run a generator we did that three times.
33 We failed. People says maybe the ...(inaudible)...for the lighting. We still try to learn. The things
34 with us, I wouldn't get into this business if I would know it was so hard because we thought it easy.
35 It's not. It's really not. We're learning everything. Nobody have done it before. We spent \$50,000
36 on the bottom field to do this trellis method which they said they did in Israel and it's not as good
37 as we thought. It actually produce not as much as the conventional method. So we are trying
38 this method hopefully, hopefully the way we learned we can teach other farmers so they don't
39 have to you know make the same mistakes again. If you notice in Kahului there's a lot of people
40 now growing dragon fruit in the small little yard. And lot of this people...we've been promoting
41 this now for seven years, 16 best varieties in the world. A lot of people are getting them now and
42 that's what we want to see. We want this crop, distribute farm, not central farming, distributed
43 farming. Hopefully eventually, you know if everybody have like one tree in their yard we're good.

44

1 Ms. Canto: Thank you. Thank you, Chair.

2

3 Vice-Chair Duvauchelle: Any other questions? Commissioner Higashi?

4

5 Mr. Higashi: Good morning Crystal. I remember the last time you came to do your application.

6

7 Ms. Schmitt: Yes.

8

9 Mr. Higashi: That dragon fruit is a very unusual fruit to be raising in I guess anywhere in the world
10 especially Hawaii, you're the first that I know of and I think one of your requests was to supplement
11 your dragon fruit because you weren't having enough income coming in and requested for a gift
12 shop.

13

14 Ms. Schmitt: Yes.

15

16 Mr. Higashi: And that was approved.

17

18 Ms. Schmitt: Yes.

19

20 Mr. Higashi: And how is it doing?

21

22 Ms. Schmitt: You know we are getting really good momentum. Dragon fruit jam and jelly is doing
23 really well. Actually after the show last week, I have people call just want to buy jams and I do
24 have one Honolulu cookie company the owner was super excited. He said, Crystal I want to buy
25 your dragon fruit to make cookies. So it takes time to marketing. It just takes time. Everybody
26 told me, you know gonna start a new business, three years. In over eight years I haven't make
27 money. I better off just work for somebody, work for Marriott I would have made a lot more money,
28 but I'm not gonna go back. I mean, farming is for life. I told people always try to figure out what
29 you're gonna do in life. Always try to...wondering, once you go in farming, you
30 can...(inaudible)...that's it. There's nothing better more satisfying than see things come out of
31 the dirt and you eat. My daughter went to China for boarding school and she come back she said
32 mommy, I heard sugar is from a plant. I was like, you were in Haiku School, they ever teach you
33 sugar is from the sugar cane? She think sugar is from the candy store. I mean, serious my own
34 daughter who graduated from Haiku School come back from China realize sugar is from a plant.
35 I didn't do my job right.

36

37 Vice-Chair Duvauchelle: Commissioner Higashi?

38

39 Mr. Higashi: So the end result this gift shop is basically not helping to supplement your dragon
40 fruit farm?

41

42 Ms. Schmitt: Supplement a little. The problem is we have limited visitors that there to the farm
43 for gift shop to make money and you need amount of visitors. So we still have relative small
44 exposure. If you only have 30 people stop by, some times in the winter, actually this January is

1 dead for some reason. It's hard to sell. And the jams the profit margin is actually very small. I've
2 been wholesaling to Mana Foods, Whole Foods. I make a dollar a jam. And Mana Foods, actually
3 seventy-five cents a jam. So it's...that's wholesale. It helps, our hope to continue it would get
4 bigger. And honestly my main biggest cash crop for helping me sustain little bit is the lettuce farm
5 in Haiku. That was a really good crop. However, that was so suspect to weather. I mean this
6 December rain, I don't know if you guys remember right before Christmas, New Year, I just recover
7 now last week. I mean, that's 100 percent, Haiku 72-hour rain never stop. I mean, it completely
8 destroyed my crop. I don't know, I didn't see that coming. When you hear the weather says, oh
9 coming, coming, coming, nothing happens and then all of a sudden it shows up and knock you
10 out. That's just reality.

11
12 Vice-Chair Duvauchelle: Thank you. Any other questions? Commissioner Robinson?

13
14 Mr. Robinson: Aloha Crystal.

15
16 Ms. Schmitt: Hi.

17
18 Mr. Robinson: I came on this commission after your got approved. I think this commission is
19 always pro-agriculture. I notice the commission helped you with a gift shop permit which I think
20 is pretty rare and then they also helped you with an event permit which as we know sometimes
21 has 200 people testifying about this, and now we're gonna go for a third step and you want us to
22 allow you a TVR and it's all to help your business, you know continue to farming. And hear you
23 guys had more research and you knew better you guys might not had done it. And what I'm afraid
24 of, and what I don't want to have happen is every single person who starts to farm comes in here
25 and says, well my farm is not doing too well, so can I have a vacation rental to supplement it? So
26 my question to you is I've been looking in the application and I don't see any receipts for anything
27 sold.

28
29 Ms. Schmitt: Oh, okay.

30
31 Mr. Robinson: And also, do you have a...you also said that you have somebody living inside that
32 unit correctly right now, some construction people. Do you also have the lease for that person
33 that's been staying there too or have you been renting that out illegally?

34
35 Ms. Schmitt: I'm renting that long term rental. I have a lease. That's not a problem. And far as
36 showing sales receipts. We are one of the biggest lettuce producer on the island. If you in the
37 produce business you know us. We are very, kind of famous in Kula Produce, Mana Foods,
38 Whole Foods. I used to supply Costco, it's too big of account to handle because when we
39 ...(inaudible)...out...actually Costco was very challenging. We used to produce a little bit more
40 than that. What happened is we losing our lease to land. Another thing is I'm actually I'm losing
41 my land right now. I'm in the process of moving the farm from Haiku to Pukalani because my
42 landlord use me...I'm not going to go there, sorry. So actually I'm relocating my farm and you
43 have a really good point. What happen if another farmer come and ask for help? If another farmer
44 come ask for help, please help them. How many real farmers are there on Maui? Seriously full

1 time? I'm one of the top ten real farmers. If they real farming please help them whatever you can
2 whatever you can because that's the future. I want to farm here and at least little bit stay exist on
3 Maui. I switch to Korea to get into farming. I could right now walk out here and do something
4 else, but I love farming. Help farmers. If somebody else come help, help them as well. If they're
5 sincere about farming, if they're real farming, if they're full-time farming, please do so.

6
7 Mr. Robinson: So Crystal you have gift show and now you're gonna have short-term rental so
8 when does a farming become a tourist industry? I mean, again we're all for farming, so you know
9 it's, it's gift shop, events, and now short-term rental. It's not a bed and breakfast, it's not a long-
10 term rental, you know, you do have a successful produce business somewhere else but you're
11 asking us to subsidize it for a third request you know what I'm trying to say?

12
13 Ms. Schmitt: I 100 percent understand.

14
15 Mr. Robinson: And we want to make sure you're making good decisions 'cause you know you
16 are taking up county time and we are...the county is trying to help you, you know, as well all
17 farmers.

18
19 Ms. Schmitt: I understand. Yes.

20
21 Mr. Robinson: So the question is, do you have a plan this time? To say okay, if I have this TVR
22 I now know what it needs for my farm to work because the last time you came here your plan was
23 incorrect because you're back here asking us for something else. So now what's to tell us that
24 this plan is gonna work? If we have another vacation rental on top the hill which is not made for
25 vacation rentals, it's made for farmers like you, right? A bed and breakfast maybe I could see
26 because you're on the farm. You have workers, bed and breakfast, you have some people come
27 in during harvest time, but you're having a vacation rental with a gift shop.

28
29 Ms. Schmitt: Okay, I totally understand your concern. If you ever been to my real farm you'll see
30 how much money the gift shop gonna make. You just gonna see it, the reality. We have, really I
31 have ten people stand by, I never said I have a...I always have a plan. I always have a plan,
32 actually I plan too much and the plan doesn't work. And actually the plan worked. It all helped,
33 every single time things helps. Even a bag of salad. I have accounts for one bag a week, I kept
34 it for 10 years. Everything helps, everything...always have a plan, I have too much plan, that's
35 the problem. I do plan and I'm so glad of plan because if I wouldn't be planning I'd be drown long
36 time ago, and I stay alive because I plan always. I have five years ahead.

37
38 Vice-Chair Duvauchelle: Commissioner Carnicelli?

39
40 Mr. Carnicelli: Good morning, Crystal.

41
42 Ms. Schmitt: Hi, good morning.

43

1 Mr. Carnicelli: I appreciate your passion. And I actually appreciate the fact that you actually really
2 are a farmer because we get lots of people through here, it's just like I mean I can recall one
3 application where they had some orange trees planted along their driveway and that was their "ag
4 plan" and they were calling themselves a farm. So you're real farmer so I really appreciate that.
5 But my question is, you know you had your projections as far as what you thought the events
6 were gonna bring in, and so now you're also going a little shooting into the dark with you know
7 your vacation rental. So my question is what's gonna be the difference between what you could
8 rent that out for long-term and what you project you think you're gonna get doing a vacation rental?
9 So you have a plan, you know, what sort of is that plan for your STRH and it's just like...'cause
10 you know as Commissioner Robinson said we want to help farmers, but it's like you know, maybe
11 the best thing for you is to leave it long-term you know and not that I need to run your business
12 but I just want to know what you think the numbers are now...I mean, what the numbers are now
13 versus what you think the numbers are going to be if we were to provide you with this permit?
14

15 Ms. Schmitt: I so appreciate you bring that up because honestly you are probably more
16 knowledgeable in the vacation rental business than I am. I have not run one. I'm optimistic and
17 in the end, I just don't want to do something not permitted. So if I do have the option of doing
18 long-term and short-term I figure if it's easier, if it's easier for me because I have very limited time
19 and energy and I devote most it into farming, if vacation rental become a management nightmare
20 and the benefits is marginal, I probably just stay with long-term but at least I have the option and
21 I can explore it. It's kind of like anything you like to have the picture. I don't want to just start
22 doing them illegally and then find out I don't want to do that. That's why I spent all this time going
23 through the proper procedure so I have the option. Like this two month I have no income but I
24 keep going because I plant it five years ago, if this happen what I'm gonna do, that's why I stay
25 alive and well, I mean seriously. I plan, plan, plan I have this option I would appreciate hopefully
26 would it be less time or more money? But it turns out it's not it's not quite a bit of money and a lot
27 more work I probably don't do it. You know, I've never done it so I don't know. I hope it's better,
28 but if it's not, I go back to my regular because I do want to focus on farming.
29

30 Vice-Chair Duvauchelle: Any other questions? Commissioner Higashi?
31

32 Mr. Higashi: Yes, Crystal. Is this your first application for a short-term rental or did you rent it
33 before according to the record?
34

35 Ms. Schmitt: No, this is the first time. This is the first time. Me and Gina was discussed in the
36 very beginning.
37

38 Mr. Higashi: Right.
39

40 Ms. Schmitt: And one of the reason we were...(inaudible)...going to help out a little bit is because
41 I stay in Haiku farming it's because I actually on the farm dwelling in Haiku and that lettuce farming
42 I get up in the morning, I cut lettuce all day work. My husband goes to the dragon fruit farm you
43 know. That's why we stay in Haiku because dragon fruit, my mom started this because it's
44 supposed to be easy to take care. It's a cactus.

1
2 Mr. Higashi: Well, my question is have you ever rented this facility at all prior to what your
3 application is coming in today?

4
5 Ms. Schmitt: No what happened is this only completed 2015 and we been doing the long-term
6 recently, if we want if possible if the gift shop make so much money, I probably hope to use that
7 convert a bigger gift shop or we can use as office because now we go there we have no place to
8 stay so we be commuting back forth and then finally we realize we need help so we rented the
9 long-term to help with little bit income it helps, absolutely helps, enough, no. But we still hoping
10 things gonna get better every year except this January and February has not fare well as I thought
11 it would be. I mean January it's just bad because the weather.

12
13 Mr. Higashi: So you never rented it?

14
15 Ms. Schmitt: Not short-term.

16
17 Mr. Higashi: Okay, thank you.

18
19 Ms. Schmitt: Not short-term. First time, yeah.

20
21 Vice-Chair Duvauchelle: Commissioner Robinson?

22
23 Mr. Robinson: Hi Crystal. So in Haiku tell me what's happening with you in Haiku?

24
25 Ms. Schmitt: Okay so in Haiku basically my mom start the farm in my backyard. I was not a
26 farmer. And then it gets bigger and bigger because people loved organic fresh greens. So lease
27 the land across from my house. This started with five acres. The guy build a cottage move us
28 down. Now become three acres. Now they building a house so I have to move to Pukalani.
29 Fortunately, fortunately I plan the first day when I lease that land I already start, we cannot just
30 lease every year, he refused to give us a five-year lease, so one-year lease every year. So I
31 always want a backup plan. So my family helped me, we purchased a piece of property, my family
32 did in Pukalani so right now this January actually, I'm moving now, by May I have to finish moving
33 but we've been farming this existing land for 15 years now, it's like the soil is like gold, you can
34 look at it it's gold. It produces. Now I going to a new location. I don't know if the soil is gonna be
35 as good. We dumped at least hundred or two hundred, a thousand tons of organic fertilizer in
36 that land, it's like, you can just look at, just try to educate the people, soil is not dirt. He was farm
37 is dirty. No soil is gold. Soil is what, like the mother earth. So now I have to move this farm from
38 existing 15-year established farm to a brand new piece of land in Pukalani not to mention capital
39 investment, but we determined we're gonna make it happen. It's gonna be good.

40
41 Mr. Robinson: So what size is your farm gonna be in Pukalani.

42
43 Ms. Schmitt: So we actually have three locations in Haiku. We used to lease another land across
44 the gulch it's six acres but there's no county water. We've been on the water meter list now for

1 10 years. I'm not even go there either. But we have a huge 350,000 pond of gallon of water but
2 because my lettuce is ready to produce you cannot irrigate pond water into the lettuce where
3 people gonna put in their mouth. So we cannot really farm there. So our total lettuce production
4 is about solid nine acres. Just imagine you covered with lettuce, nine acres.

5

6 Mr. Robinson: How many acres do you have in Pukalani that you're moving to?

7

8 Ms. Schmitt: Five.

9

10 Mr. Robinson: Five acres?

11

12 Ms. Schmitt: Five acres.

13

14 Mr. Robinson: And you had eight acres before in Haiku?

15

16 Ms. Schmitt: Nine.

17

18 Mr. Robinson: You had nine?

19

20 Ms. Schmitt: But imagine, the good news is when it's all growing it's awesome. The thing is if
21 you get luck out or dead what you're gonna do for the next 45 days, that's the problem. When I
22 have the lettuce I'm happy. But when I don't what I don't know what to do. I mean, hopefully
23 that's why we diversify, diversify geographically, diversify on the crop, diversify on the income
24 stream, do anything to survive as a farmer, it's so satisfying if I can survive. If...(inaudible)...if I
25 wake up every day and don't have to worry, I'm happy. I don't mind work hard.

26

27 Mr. Robinson: It's called entrepreneurship, you know.

28

29 Ms. Schmitt: Yes.

30

31 Mr. Robinson: It's not easy. Thank you.

32

33 Vice-Chair Duvauchelle: Commissioner Hedani?

34

35 Mr. Hedani: Crystal, of the people that farm, the people that farm in Launiupoko I was hopeful
36 that the dragon fruit farm would succeed because I think that it had the most promise in terms of
37 being able to have viable agriculture within Launiupoko.

38

39 Ms. Schmitt: Yes.

40

41 Mr. Hedani: Everything else that I've seen up at Launiupoko is exactly what Lawrence said, it's a
42 couple of lime trees here, a couple of tangerines and that's it, yeah, landscaping. How long do
43 you estimate it would take for the dragon fruit farm to become sustainable?

44

1 Ms. Schmitt: Okay, it's very, very good question. See the problem is because we are pioneers,
2 we are new, we're learning ourselves, so our hope is once we get everything nailed down, for
3 example the 16 varieties some varieties obviously doing better than others, so which one? And
4 for ...(inaudible)...the product for example, what variety ultimately from you know, would do better
5 than the others? So we're learning all this. That's why it takes us so much effort because you
6 learn from nothing to try to figure things out. For example the post method versus the trellis
7 method, how does it work? The post what is the best? We just experimenting a new post now.
8 This post we thought the concrete it's gonna last forever, it doesn't because first of all, you have
9 done proper, second they really brittle and break, so now we're trying the metal method. So I
10 always give example, doesn't mean the one's gonna be successful in doing them. People later
11 on learn the ropes and they will most likely do better. So kinda like you know, Facebook do good,
12 but there's people before that did a lot. So it's like, how to say, we are the guinea pigs but it's
13 okay. That's why I'm trying, as long as I survive, and as long as eventually dragon become a crop
14 I'm happy. I would say, last year Dawn can tell you more, we also learned the moon cycle really
15 affects a lot so what happen is on the full moon it's the night you gonna pollenate the flowers, but
16 if that night it rained, Launiupoko doesn't rain, but if that night rained which we think happened to
17 our crop then particular night, the flower only live for one night, it dies the next morning so if you
18 lose that opportunity then it's kind of hard, what happened. That's why Launiupoko is actually
19 ideal location because it doesn't rain as much. So we are learning from...you cannot just read
20 everything on the internet and believe it. That's what I did, I thought it's all
21 this...(inaudible)...coming in, all this crops coming in, but then you look at my real crop sometimes
22 it doing really well, it's oh my God, it looks like it's really good and June comes, August all of a
23 sudden we have no flowers so what happened? Then we analyze oh maybe the moon, maybe
24 this. So we are still learning. My hope is I really think is this is gonna...(inaudible)...it's go off.
25 I'm actually gonna try some in Pukalani as well. We start planting Pukalani next week and
26 hopefully try that method and see over there if it do better. So the bottom line is it is a new crop
27 and we're trying everything we can to learn about. Hopefully it's gonna do really well. The fruit
28 itself it's really, really good, healthy, delicious, beautiful everybody loves, it's volume, how we can
29 get volume up, how we can produce effectively which we're still learning.

30
31 Mr. Hedani: Okay. The question that I had actually is from the time that it was first planted it's
32 been what, five years now?

33
34 Ms. Schmitt: Our first crop yeah.

35
36 Mr. Hedani: So it's matured basically, you're plants have matured over a period of five years and
37 it's approaching the point where it's producing a lot of fruit?

38
39 Ms. Schmitt: The top field is, and so the idea was to invest \$50,000 on the bottom field with the
40 trellis method we think that's gonna be better, it turns out it's not. So that's something...we're
41 gonna try another method again with the existing trellis there and my message is to everybody is
42 if you would at this point if you were to do it yourself, try the post method but with the metal top
43 which we're doing right now. So that's the kind of message like we say, okay this is the best way.

1 So in three years we spent on the bottom field, it didn't produce as we thought this method. The
2 top field is completely mature, but it's only the top portion which is only 110 tree...vines.

3
4 Vice-Chair Duvauchelle: Thank you. Commissioner Robinson?

5
6 Mr. Robinson: This is my last comment. Crystal I'm gonna support you because we want you to
7 succeed, but I wanna say something. In business you have a successful lettuce business. You
8 feed a lot of people in Maui and you're stuck on this dragon fruit. I hope you succeed in it but at
9 some point, you're coming to us to subsidize your wish to grow a certain product when you flourish
10 at another product. It's business. You're running a business, and hopefully you...if this doesn't
11 work you realize that please don't come to us back again to help subsidize your will to have your
12 wish because you do something well, and you're doing it well for a long time and you've had a
13 Costco account and I hope you realize that. You're a successful farmer, but maybe not dragon
14 fruit. So please don't...don't bid everything on just one thing because you are successful and
15 don't let something bring you down just because you have a will that you want something to
16 happen and that's just my comment.

17
18 Ms. Schmitt: I really, really appreciate your help.

19
20 Mr. Robinson: That's all, that's all, yeah. Thank you.

21
22 Ms. Schmitt: That's from another entrepreneur that's awesome insight, but problem with lettuce
23 is though, it's not...when you get it destroyed you have the whole...if you bet everything only in
24 this one field and you get wiped out in January I wish I had the dragon fruit farm even though it's
25 not as productive in a normal time.

26
27 Vice-Chair Duvauchelle: Any other questions Commissioners? Okay, can we have the
28 Department's recommendations? Thank you Crystal.

29
30 **b) Action**

31
32 Ms. Flammer: So there's two permits that we have. We're dealing with the State Special Use
33 Permit which you have authority over. We're recommending that you approve the amendment to
34 the State Special Use Permit. We're recommending an additional 18 conditions most of them that
35 mirror the short-term rental home conditions that would make the permit having a total of 41
36 conditions on it.

37
38 For the Conditional Permit we're recommending that you recommend approval of the amendment
39 to the County Council and again, we've mirrored the exact same conditions for that one.

40
41 So in consideration of the foregoing the Planning Department Recommends that the Commission
42 adopt the Planning Department's report and recommendations prepared for today's hearing,
43 February 28, 2017 as your findings of fact, conclusion of law, and recommendation and authorize

1 the Director of Planning to transmit said recommendation to the Council for the Conditional Permit
2 and then transmit to the applicant approval of the State Land Use Special Permit.

3
4 Vice-Chair Duvauchelle: Commissioner Canto?

5
6 Ms. Canto: Maybe this question is for the Director. Are we approving them together or are we
7 approving them separately?

8
9 Mr. Robinson:(inaudible-not speaking into mic)...

10
11 Vice-Chair Duvauchelle: Commissioner Carnicelli?

12
13 Mr. Carnicelli: I would like to move that we approve as per the Department's recommendation
14 both of the recommendations.

15
16 Mr. Hedani: Second.

17
18 Vice-Chair Duvauchelle: Motion by Commissioner Carnicelli, seconded by Commissioner Hedani.
19 All those in favor?

20
21 Mr. Carnicelli: Discussion first?

22
23 Vice-Chair Duvauchelle: Oh, discussion. Sorry, discussion. Let's roll right through. Discussion.
24 Commissioner Canto? Oh, Commissioner Higashi?

25
26 Mr. Higashi: I totally agree about farming and supporting farming. My reservation is that dragon
27 fruit has not been something that has been proven to be productive and I think from this five years
28 kinda shows that maybe dragon fruit is not the route to go and by supplementing it with a gift shop
29 and now a short-term rental I don't think is the answer to this particular request. So consequently
30 I'm not in favor of approving the amendment.

31
32 Vice-Chair Duvauchelle: Thank you Commissioner. More further discussion? Commissioner
33 Carnicelli?

34
35 Mr. Carnicelli: As the mover of the motion I obviously support this, and for me, you know there's
36 a couple of reservations that I do have you know as Commissioner Robinson had said, you know,
37 are we gonna get every single farmer showing up to say like listen I want you guys to supplement
38 my farming operation. I'm not a successful entrepreneur so I'm not gonna give advice as far as
39 what I think that they should do or not. There's other people that are successful entrepreneurs
40 that I think that you know I heed their words very closely and I listen to that. But the other side of
41 this is you know we want people to do things right and we want people to become legal, right?
42 And that's one the thing that I think when I look at this particular application it's someone that
43 actually really does farm, it's someone that says you know what I could have probably done a
44 vacation rental and not...you know, been one of those people, catch me if you can, we've got

1 plenty of those on the island. She's saying hey, listen you know I want the opportunity to do this
2 if I can, if it doesn't work then guess what I'm putting a long-term tenant back in there. So if what
3 we really want is people to come forward and do things the right way then I think that we need,
4 you know at least for me I want to personally reward that and I wanna say okay, you know what
5 yeah, I'm on board. I don't know if dragon fruit is gonna work or not, but I think that at least the
6 applicant's trying to do the right thing and I feel that she's genuinely trying to do the right thing
7 and so I'm obviously going to support the motion.

8
9 Vice-Chair Duvauchelle: Commissioner Canto?

10
11 Ms. Canto: I, too will support the motion. I just believe that the Schmitts are sincere and...let me
12 say that again, I will be supporting the motion to approve. I believe that both of you work very,
13 very hard. I look to you as being real farmers and I thank you for what you do, but I'll supporting
14 the motion, Chair.

15
16 Vice-Chair Duvauchelle: Commissioner Hedani?

17
18 Mr. Hedani: You know as I said earlier, I think this particular applicant is a true farmer and is
19 working at it as best as she can exploring a new niche product which may be if it catches on, I
20 guess, they probably thought Zuckerberg was crazy at one point, but if it catches on you know, if
21 there's the opportunity to fulfill a niche market that might be successful. We've given transient
22 vacation rental permits to a lot of people with a lot of money that had beautiful facilities that they
23 built as "farm dwellings" but it was never intended to be a farm dwelling for farmers to live in. It
24 was intended to transient vacation rental. We probably are setting up people that are trying to
25 farm for failure by designing subdivisions at 2 acres to 15 acres to compete against 36,000 acre
26 farms that may grow lettuce among other things and just totally wipe you out if you're small farmer
27 trying to work on 15 acres. I think pursuing a niche market is probably a boutique market is
28 probably the way to go if you can succeed. I don't know that she can, but I think of all of the
29 people that we've supported within agricultural subdivisions this is the one that we should try to
30 support. I don't know that it will succeed. The facility is not as pretty as the ones that the
31 multimillionaires can throw up, but I wish her success.

32
33 Vice-Chair Duvauchelle: Any further discussion? Director could you repeat the motion?

34
35 Mr. Spence: The motion is...and I have to say if I could comment?

36
37 Vice-Chair Duvauchelle: Please.

38
39 Mr. Spence: It's a little tongue in cheek, but maybe...if we're talking about niche markets at HCPO
40 last time Maui County hosted it we had some dragon fruit margaritas and they were so beautiful
41 to look at, I bet the hotels would love it. Now that's, that's if we're talking about a market for
42 something like that...so away... The motion is to approve as recommended by Staff and that's
43 for both permits.

44

1 Mr. Carnicelli: Both.

2

3 Vice-Chair Duvauchelle: All those in favor please say aye.

4

5 Commission Members: Aye.

6

7 Vice-Chair Duvauchelle: Six ayes.

8

9 Mr. Spence: Six ayes.

10

11 Vice-Chair Duvauchelle: All those opposed?

12

13 Mr. Spence: One opposed.

14

15 Vice-Chair Duvauchelle: One nay. Motion carries. Thank you.

16

17 Mr. Robinson: Go get 'em Crystal.

18

19 **It was moved by Mr. Carnicelli, seconded by Mr. Hedani, then**

20

21 **VOTED: To Approve the Amendment to the Current State Land Use**
22 **Commission Special Permit and Recommend Approval of the**
23 **Amendment to the Conditional Permit and Ordinance 4295 to the**
24 **County Council as Recommended by the Department.**

25 **(Assenting – L. Carnicelli, W. Hedani, L. Hudson, K. Robinson,**
26 **P. Canto, S. Castro)**

27 **(Dissenting - R. Higashi)**

28 **(Excused – M. Tsai)**

29

30

31

32

Submitted by,

33

34

35

Carolyn Takayama-Corden

36

Secretary to Boards & Commissions II

37