

**COUNCIL OF THE COUNTY OF MAUI**  
**LAND USE COMMITTEE**

April 4, 2008

**Committee**  
**Report No.**

\_\_\_\_\_ 08-52

Honorable Chair and Members  
of the County Council  
County of Maui  
Wailuku, Maui, Hawaii

Chair and Members:

Your Land Use Committee, having met on July 5, 2007 (site inspection and meeting), January 9, 2008, January 10, 2008 (reconvened), and February 20, 2008, makes reference to County Communication No. 06-55, from the Planning Director, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE TO CHANGE ZONING FROM AGRICULTURAL, M-2 HEAVY INDUSTRIAL, AND R-1 RESIDENTIAL DISTRICTS TO M-1 LIGHT INDUSTRIAL DISTRICT (CONDITIONAL ZONING) FOR THE MAUI BUSINESS PARK PHASE II PROJECT FOR PROPERTY SITUATED AT KAHULUI, MAUI, HAWAII", and a Final Environmental Impact Statement prepared by PBR Hawaii, dated December 2004.

The purpose of the proposed bill is to grant a request from Robert Sasaki, A & B Properties, Inc. (A&B), for a Change in Zoning from Agricultural District, M-2 Heavy Industrial District, and R-1 Residential District to M-1 Light Industrial District for the Maui Business Park Phase II Project on approximately 179 acres in Kahului, Maui (TMK: (2) 3-8-01:002 (portion), (2) 3-8-06:004 (portion), and (2) 3-8-79:013) (the subject property). Your Committee notes that the subject property is owned by Alexander & Baldwin, Inc.

According to the County Communication, the project is a continuation of A&B's existing Maui Business Park Phase I, and will provide light industrial space in Maui's central commercial and business districts, in close proximity to the Kahului Airport and Kahului Harbor. Land uses will be consistent with the M-1 Light Industrial District and may include warehousing and distribution businesses, as well as retailing, light manufacturing, research facilities, offices, and other uses. A&B will be the master developer of the project, with on-site and off-site improvements expected to be substantially completed within eight years following receipt of final project approvals.

Your Committee notes that the Maui Planning Commission held a public hearing on the Change in Zoning application on April 26, 2005, and another meeting on the application on May 24, 2005.

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Your Committee further notes that the Maui Planning Commission, after reviewing the findings presented in the document entitled “MAUI PLANNING DEPARTMENT’S REPORT TO THE MAUI PLANNING COMMISSION APRIL 26, 2005 MEETING” (Department’s Report), and the conclusions and recommendation presented in the document entitled “MAUI PLANNING DEPARTMENT’S RECOMMENDATION TO THE MAUI PLANNING COMMISSION APRIL 26, 2005 MEETING”, voted to recommend approval of the Change in Zoning on May 24, 2005, subject to 15 conditions of zoning. The recommended conditions relate to the possible use of drainage basins for open area recreational purposes; landscaping, irrigation, and water availability requirements; standards of development; affordable housing requirements; a phasing plan for the South Project Area; issuance of building permits upon completion of infrastructure, by increment; concurrent construction of the Hookele Street extension or similar thoroughfare; maintenance of landscaped aesthetic visual corridors along highways adjacent to the project; use of alternative energy, underground utilities and low impact lighting; and minimization of signalized intersections on the Hookele Street extension.

According to the Department’s Report, the project will consist of two noncontiguous areas referred to as the South Project Area and the North Project Area. The South Project Area will provide an estimated 75 lots ranging in size from approximately 0.3 acres to 12 acres, and will be developed in increments of not greater than 70 acres. The North Project Area will provide an estimated 22 lots ranging in size from 0.3 acres to 3 acres.

Your Committee notes that the Council (2005-2007 Council term) referred County Communication No. 06-55 to the Land Use Committee at the Council meeting of February 17, 2006.

By correspondence dated April 4, 2006, Grant Chun, Vice President, A&B, transmitted a document entitled “Maui Business Park Phase II Proposed Affordable Housing Land Contribution: Residential Site Assessment Report”, prepared by PBR Hawaii, dated March 2006 (Residential Site Assessment Report).

By correspondence dated April 5, 2006, Daniel Yasui, Director, Planning and Entitlement, A&B, transmitted the 2006 Annual Report to the State Land Use Commission (State LUC) for the project, dated March 13, 2006. Your Committee notes that a copy of the Findings of Fact, Conclusions of Law, and Decision and Order for approximately 138 acres, adopted by the State LUC on March 18, 2004, is attached as

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Exhibit 46 to the Department's Report; and a copy of the Findings of Fact, Conclusions of Law, and Decision and Order for approximately 34 acres, adopted by the State LUC on June 13, 2005, is also attached to the County Communication (collectively referred to as State LUC's Decision and Order). Your Committee further notes that approximately 7 acres of the subject property are already designated within the State Urban District.

By correspondence dated October 10, 2006, Grant Chun, Vice President, A&B, transmitted a report dated October 4, 2006, containing updated traffic counts for the project, prepared by Phillip Rowell and Associates.

At its meeting of January 5, 2007, the Council referred County Communication No. 06-55 to your Committee (County Communication No. 07-5).

By correspondence dated March 16, 2007, Grant Chun, Vice President, A&B, transmitted the 2007 Annual Report to the State LUC for the project, dated March 16, 2007.

By correspondence dated June 26, 2007, the Chair of your Committee requested that the Planning Director advise whether Chapter 2.96, Maui County Code (the County's Residential Workforce Housing Policy), applies to this project.

By correspondence dated June 26, 2007, the Chair of your Committee requested that the Director of Housing and Human Concerns respond whether A&B's proposal to provide 22 acres would meet the requirements of Chapter 2.96, Maui County Code (MCC), assuming it applies, and if not, what the Director would require under the Policy.

By correspondence dated July 2, 2007, Michael Munekiyo, Project Manager, Munekiyo & Hiraga, Inc., transmitted a printout of a computer-generated presentation summarizing the project.

By correspondence dated July 3, 2007, the Director of Housing and Human Concerns advised that she had consulted with the Department of the Corporation Counsel and determined that Chapter 2.96, MCC, does not apply to the project. According to the Director, Chapter 2.96 "only applies to projects which may result in the development of residential units or lots and/or hotel or time-share units." She further advised that the proposed 22-acre contribution is appropriate and suitable for affordable housing. She noted that, based on the two potential development scenarios contained in Appendix A of the Residential Site Assessment Report, approximately 236 to 317 dwelling units could

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be developed on the 22 acres. In addition, she advised that the Department had estimated that if the entire 22-acre site was subdivided into 6,000-square-foot lots, approximately 135 house lots could be developed.

By correspondence dated July 4, 2007, Bonnie Bonse expressed concerns relating to traffic, the size of the project area, and the proposed conversion of agricultural lands.

By correspondence dated July 5, 2007, Tamara Paltin opposed the project due to infrastructure and traffic concerns.

By separate correspondence dated July 5, 2007, Alan Akana and Gordon Cockett expressed concerns relating to urban sprawl, “big box clones”, congestion, and the proposed conversion of agricultural lands.

By correspondence dated July 5, 2007, the Planning Director deferred the inquiry relating to the applicability of Chapter 2.96, MCC, to the project, to the Department of Housing and Human Concerns.

At its site inspection of July 5, 2007, your Committee met with the Planning Program Administrator, Current Planning Division, Department of Planning; the Director of Parks and Recreation; the Deputy Director of Public Works; an Acting Captain, Department of Police; a Sergeant, Department of Police; and a Deputy Corporation Counsel.

Your Committee also met with Grant Chun, Vice President, A & B Properties, Inc.; Daniel Yasui, Director, Planning and Entitlement, A & B Properties, Inc.; Diane Bevilaqua, Project Manager, A & B Properties, Inc.; Mercer “Chubby” Vicens, Consultant, Vicens Entitlement Group; Michael Munekiyo, Project Manager, Munekiyo & Hiraga, Inc.; Ken Kurokawa, President, Austin Tsutsumi & Associates, Inc.; Trang Nguyen, Project Manager, Austin Tsutsumi & Associates, Inc.; Adrienne Wong, Project Manager, Austin Tsutsumi & Associates, Inc.; Keith Niiya, Traffic Engineer, Austin Tsutsumi & Associates, Inc.; and Thomas Witten, President, PBR Hawaii.

Your Committee first proceeded to the undeveloped lot beyond the end of Hookele Street, just past its intersection with Pakaula Street, Kahului, Maui (TMK: (2) 3-8-06:004), to view the South Project Area.

There was no public testimony.

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Your Committee received a conceptual master plan and an aerial photograph of the subject property.

Mr. Chun provided a brief description of the site location, noting existing commercial uses in the area, and the proximity of the site to the Kahului Airport and Kahului Harbor.

Mr. Vicens described the boundaries of the South Project Area. He showed your Committee the storm control basin area, and indicated that A&B is discussing with the County the possibility of using the drainage basins as a regional recreational area.

Your Committee discussed concerns relating to the storm basins on the property and the potential recreational use of those basins.

Your Committee proceeded to a second vantage point at 590 Haleakala Highway (Ding Kings' parking lot), Kahului, Maui (TMK: (2) 3-8-79:013) to view the North Project Area.

There was no public testimony.

Mr. Chun noted that the North Project Area is adjacent to Kmart and Costco, and along the future airport access road.

Mr. Vicens described the boundaries of the North Project Area, consisting of approximately 38 acres, and noted that some rough grading had been done on the property. He pointed out the existing structures on the property and noted a well on the property that would supply nonpotable water for project landscaping. He advised your Committee that A&B anticipates developing 100 to 110 lots in the project. He further advised that the existing businesses on the property are operating under a month-to-month arrangement.

Your Committee deferred consideration of the matter pending a meeting later that day.

At its meeting of July 5, 2007, your Committee met with the Deputy Planning Director; the Planning Program Administrator, Current Planning Division, Department of Planning; the Director of Housing and Human Concerns; the Director of Parks and

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Recreation; the Deputy Director of Public Works; an Acting Captain, Department of Police; a Sergeant, Department of Police; three Deputy Corporation Counsel; Glenn Soma, Manager, Statewide Transportation Planning Office, State Department of Transportation (State DOT); and Ferdinand Cajigal, Engineering Program Manager, Maui District Office, Highways Division, State DOT.

Your Committee also met with Stanley Kuriyama, Chief Executive Officer, A & B Properties, Inc.; Meredith Ching, Senior Vice President, Alexander & Baldwin, Inc.; Grant Chun, Vice President, A & B Properties, Inc.; Daniel Yasui, Director, Planning and Entitlement, A & B Properties, Inc.; Diane Bevilaqua, Project Manager, A & B Properties, Inc.; Mercer “Chubby” Vicens, Consultant, Vicens Entitlement Group; Michael Munekiyo, Project Manager, Munekiyo & Hiraga, Inc.; Ken Kurokawa, President, Austin Tsutsumi & Associates, Inc.; Trang Nguyen, Project Manager, Austin Tsutsumi & Associates, Inc.; Adrienne Wong, Project Manager, Austin Tsutsumi & Associates, Inc.; Keith Niiya, Traffic Engineer, Austin Tsutsumi & Associates, Inc.; and Thomas Witten, President, PBR Hawaii.

Your Committee received a computer-generated presentation from Mr. Chun. The presentation provided background information concerning the subject property and the project, and the need for light-industrial lots. Mr. Chun noted that the State LUC had required that a minimum of 10 acres be provided for affordable housing needs. A&B had conducted a study which indicated that 13 acres would be needed, and subsequently, identified a 22-acre site adjacent to the Maui Lani Project District at the end of Kamehameha Avenue, near the new Pomaikai Elementary School, to be provided for affordable housing.

Mr. Chun further noted ongoing discussions with soccer clubs and the Department of Parks and Recreation to establish playing fields within the project area. He advised that project improvements would include connecting Puunene Avenue and Hana Highway via Hookele Street, which is projected to result in a 40 percent reduction in traffic along Dairy Road. He advised your Committee of other traffic-related, landscaping, and drainage improvements that would be made.

Your Committee received public testimony from five individuals. Four individuals stated support for the project and one expressed concerns. Testifiers in support cited the need for light-industrial inventory, benefits to community and workforce development, and the need for soccer fields. The testifier expressing concerns stated that providing smaller, regional light-industrial areas would be better than clustering the

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traffic in an area that is already congested, and described the project as the “Oahu-ization” of Maui.

Mr. Soma informed your Committee that A&B has complied with the State LUC’s Decision and Order, and requested that your Committee’s recommendations be consistent with that Decision and Order.

Your Committee requested that the Department of Police provide a written response concerning impacts the project would have on manpower requirements, as well as substation and/or equipment needs, over the anticipated 15 to 20 years it would take to complete the build out.

The Director of Housing and Human Concerns advised that Chapter 2.96, MCC, does not apply to this project. Your Committee requested that a written opinion be obtained from the Department of the Corporation Counsel on the issue.

Your Committee deferred consideration of the matter pending further discussion.

By correspondence dated July 6, 2007, Grant Howe transmitted a copy of the testimony he presented at your Committee’s July 5, 2007 meeting.

By correspondence dated July 9, 2007, the Chair of your Committee requested that the Department of the Corporation Counsel provide a written opinion as to whether Chapter 2.96, MCC, applies to the subject project.

By correspondence dated August 3, 2007, the Chief of Police estimated that one additional patrol beat (which would require six officers), three patrol vehicles, and items for a substation would be required as a result of the project. He suggested that a substation be constructed near or within the development.

By correspondence dated November 20, 2007, the Chair of your Committee requested that the Department of the Corporation Counsel respond to the July 9, 2007 request.

By correspondence dated December 18, 2007, the Department of the Corporation Counsel responded that Chapter 2.96, MCC, does not apply to the project, stating that Section 2.96.030, MCC, applies only to residential developments and hotel and time-share projects, but was not intended to apply to industrial or commercial projects.

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In explaining the basis for its conclusion, the Department noted that examples of development cited in Section 2.96.030(A) do not include development of an industrial nature, and provided an analysis of the legislative history of the Chapter. The Department also advised that the Council may nonetheless impose affordable housing requirements through conditional zoning, pursuant to Section 19.510.050, MCC.

At its meeting of January 9, 2008, your Committee met with the Deputy Planning Director; the Planning Program Administrator, Current Planning Division, Department of Planning; the Deputy Director of Public Works; the Planning and Development Division Chief, Department of Parks and Recreation; a Sergeant, Department of Police; a Deputy Corporation Counsel; Brennon Morioka, Acting Director, State DOT; and Ferdinand Cajigal, Engineering Program Manager, Maui District Office, Highways Division, State DOT.

Your Committee also met with Stanley Kuriyama, Chief Executive Officer, A & B Properties, Inc.; Meredith Ching, Senior Vice President, Alexander & Baldwin, Inc.; Grant Chun, Vice President, A & B Properties, Inc.; Daniel Yasui, Director, Planning and Entitlement, A & B Properties, Inc.; Mercer “Chubby” Vicens, Consultant, Vicens Entitlement Group; Michael Munekiyo, Project Manager, Munekiyo & Hiraga, Inc.; Keith Niiya, Traffic Engineer, Austin Tsutsumi & Associates, Inc.; Phillip Rowell, Phillip Rowell & Associates; and Thomas Witten, President, PBR Hawaii.

Your Committee received public testimony from four individuals. Two testifiers spoke in support of the project, stating small business owners need light-industrial space that is centrally located. Two testifiers provided comments, requesting that accommodations be made for baseball and softball fields within the project.

Mr. Vicens provided your Committee with written testimony from Pamela Tumpap, President, Maui Chamber of Commerce, dated July 3, 2007, in support of the project. He also submitted a rendering of the future intersection of Dairy Road and the Kahului Airport Access Road.

Mr. Niiya submitted an aerial photograph of the proposed project areas, which depicted the major roadways in the vicinity.

Mr. Morioka provided information on the secondary access route for the Kahului Airport (the Kahului Airport Access Road), along with a schematic layout plan for both phases of the project. He advised your Committee of the anticipated design,

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timing, and funding for specific improvements, and how the secondary access route is projected to alleviate traffic along Dairy Road and enhance traffic flow in the area generally. He also responded to questions concerning the proposed Hookele Street extension, the State DOT's review of the traffic impact assessment report for the project, and proposed landscaping features.

Mr. Morioka informed your Committee that the State DOT is comfortable with the mitigation measures being taken for the project, and believes sufficient safeguards have been incorporated to account for changes to development plans. He advised that the State DOT does not have any problems with proposed Condition No. 2, which requires participation with the State DOT in providing partial financing for landscaping along adjacent portions of the planned Kahului Airport Access Road.

Your Committee requested that the State DOT provide information concerning the projected number of vehicles traveling to and from the Kahului Airport that would instead be traveling on the new access route. Your Committee also requested that the State DOT confirm whether it had received and incorporated in its review, the October 2006 supplemental traffic counts, and that it provide comments on those counts.

The Sergeant advised that the Department of Police has no objections to the Change in Zoning provided traffic is appropriately mitigated. Your Committee discussed the Department's August 3, 2007 response relating to anticipated additional requirements as a result of the project.

The Deputy Director of Public Works noted concerns with the proposed use of drainage basins for ball fields, stating the intent of the drainage basins is to allow infiltration of water and that an artificial surface would run counter to that purpose.

The Planning and Development Division Chief advised your Committee that the Department of Parks and Recreation would support the use of the drainage basins for ball fields rather than allowing them to lie fallow, and that such use would not apply toward park credits under Section 18.16.320, MCC. He noted that the park assessment ordinance does not apply to industrial or business uses, but only to residential use. Your Committee asked whether the Department of Parks and Recreation has a survey of parks needs in Central Maui. The Planning and Development Division Chief advised that he would provide responsive data to your Committee.

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Your Committee discussed the need for additional ball fields, but also expressed concerns over who would maintain control of, and assume liability for, the area.

Your Committee considered additional requirements for the project, including land for a relocated wastewater treatment plant and a new community center in Kahului.

Your Committee recessed its meeting until January 10, 2008.

At its reconvened meeting of January 10, 2008, your Committee met with the Planning Program Administrator, Current Planning Division, Department of Planning; the Director of Water Supply; the Director of Housing and Human Concerns; an Executive Assistant, Office of the Mayor; and two Deputy Corporation Counsel.

Your Committee also met with Stanley Kuriyama, Chief Executive Officer, A & B Properties, Inc.; Meredith Ching, Senior Vice President, Alexander & Baldwin, Inc.; Grant Chun, Vice President, A & B Properties, Inc.; Daniel Yasui, Director, Planning and Entitlement, A & B Properties, Inc.; Mercer “Chubby” Vicens, Consultant, Vicens Entitlement Group; Michael Munekiyo, Project Manager, Munekiyo & Hiraga, Inc.; Keith Niiya, Traffic Engineer, Austin Tsutsumi & Associates, Inc.; Trang Nguyen, Project Manager, Austin Tsutsumi & Associates, Inc.; and Phillip Rowell, Phillip Rowell & Associates.

Your Committee discussed the allocation of area to be used for light-industrial versus retail purposes under the State LUC’s Decision and Order. Your Committee also discussed assumptions made for, and conclusions drawn by, the housing study conducted for the project, and the homes that could be accommodated within the proposed 22-acre site.

The Council Chair submitted proposed conditions for consideration by your Committee. His proposal suggested the following: (1) a replacement for Condition No. 1, relating to the feasibility of utilizing the existing drainage retention basins adjacent to the South Project Area for open area recreational purposes; (2) a replacement for Condition No. 7, relating to the project’s affordable housing requirements, to also require six acres for a community center and two acres for park purposes; (3) a new Condition No. 16, to require A&B to work with the Department of Environmental Management to identify and dedicate to the County a mutually acceptable site for a future Central Maui regional wastewater treatment plant; and (4) a new Condition No. 17 to prohibit residential uses within the project.

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The Chair of your Committee submitted a proposed condition that would require Alexander & Baldwin, Inc. to work with the Department of Police to establish a substation within the project. Mr. Chun indicated that A&B would agree to comply with the condition.

Your Committee reviewed the proposed conditions. Your Committee requested that the Department of Environmental Management be asked to comment on the new proposed Condition No. 16. A Deputy Corporation Counsel requested that the name of the landowner be used in the conditions, rather than the generic term "applicant".

With respect to both proposed Condition No. 1 and the proposed replacement for Condition No. 1, Ms. Nguyen addressed concerns relating to the retention basins and explained the proposed drainage scheme for the South Project Area, noting that the storm drain system would be designed to ensure it would be free of pollutants.

The Director of Water Supply advised that A&B had proposed providing treated surface water from West Maui for the project. He noted ongoing issues with respect to the Na Wai Eha contested case hearing that could impact surface water availability. He addressed the project's anticipated water demands and noted that water quality tests had not yet been made available for A&B's test well drawing from the Kahului Aquifer.

Your Committee requested that A&B consult with the Maui Farm Bureau concerning possible uses for an agricultural park and a site that might be considered. Your Committee also requested that A&B provide reduced copies of the drainage area map that was shown to your Committee. Based on comments by the Director of Water Supply concerning the status of potential surface water sources, your Committee further requested that A&B provide an explanation of alternative water strategies it has considered to supply the proposed project.

Your Committee deferred consideration of the matter pending further discussion.

By correspondence dated January 14, 2008, the Chair of your Committee requested that the Director of Housing and Human Concerns provide the Department's current position on the proposed 22-acre contribution, in addition to comments on proposed Condition No. 7, and the Council Chair's proposed replacement for Condition No. 7.

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By correspondence dated January 23, 2008, the Director of Environmental Management supported the proposed condition for a site for a future Central Maui regional wastewater treatment plant.

By correspondence dated January 25, 2008, the Director of Housing and Human Concerns advised that the Department's July 3, 2007 correspondence represents its current position on the proposed 22-acre contribution. She also provided comments on the proposed affordable housing conditions.

By correspondence dated January 29, 2008, Grant Chun, Vice President, A&B, provided the requested copy of the drainage area map, and a statement outlining A&B's alternative water strategies for the project. Those strategies include use of low-flow fixtures and a dual water system, and the development of a new water source to supply the project. Mr. Chun noted that A&B's primary effort, to date, has focused on the development of a surface water treatment plant utilizing water from the West Maui ditch system. A&B's back-up plan has been to develop a new potable water well drawing from the Kahului Aquifer, with potential well sites identified, a test well drilled, and a pump test performed. Mr. Chun noted that the Department of Water Supply has expressed concerns over the location and sustainability of the well, and that discussions are continuing as to whether those concerns can be met.

By correspondence dated January 29, 2008, the Director of Parks and Recreation responded to your Committee's inquiry regarding park needs for Central Maui by providing two listings of leagues and organizations, and a summary of field usage and needs.

By correspondence dated February 5, 2008, Brennon Morioka, Interim Director, State DOT, transmitted traffic report figures projecting peak hour traffic using the proposed Kuihelani Highway extension from Puunene Avenue to Kahului Airport. He advised that the State DOT had reviewed the October 2006 supplemental traffic counts and found them to be reasonably consistent with the 2004 project traffic report assumptions concerning growth in regional traffic.

By correspondence dated February 18, 2008, Kathleen Soule opposed the project, noting traffic and urbanization concerns.

By correspondence dated February 19, 2008, Lori Grace opposed the project, citing traffic congestion and other concerns.

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At its meeting of February 20, 2008, your Committee met with the Planning Program Administrator, Current Planning Division, Department of Planning; the Director of Environmental Management; the Deputy Director of Public Works; the Deputy Director of Water Supply; and a Deputy Corporation Counsel.

Your Committee also met with Stanley Kuriyama, Chief Executive Officer, A & B Properties, Inc.; Meredith Ching, Senior Vice President, Alexander & Baldwin, Inc.; Grant Chun, Vice President, A & B Properties, Inc.; Daniel Yasui, Director, Planning and Entitlement, A & B Properties, Inc.; Diane Bevilaqua, Project Manager, A & B Properties, Inc.; Mercer “Chubby” Vicens, Consultant, Vicens Entitlement Group; Michael Munekiyo, Project Manager, Munekiyo & Hiraga, Inc.; Terrence Arashiro, Vice President and Chief Engineer, Austin Tsutsumi & Associates, Inc.; Keith Niiya, Traffic Engineer, Austin Tsutsumi & Associates, Inc.; Trang Nguyen, Project Manager, Austin Tsutsumi & Associates, Inc.; Phillip Rowell, Phillip Rowell & Associates; and Thomas Witten, President, PBR Hawaii.

Your Committee received public testimony from two individuals. One testifier supported the project, citing financial benefits. The other testifier opposed the project, citing traffic and water concerns, and a preference for having light industrial activities in outlying areas.

The Deputy Corporation Counsel summarized the Department’s December 18, 2007 opinion concerning the inapplicability of Chapter 2.96, MCC, to the project.

Your Committee discussed whether future wastewater treatment requirements in Central Maui would favor decentralized plants or not. The Director of Environmental Management noted that the decision to build a large site or to decentralize would probably be determined by policy, philosophy, and economics, noting that Federal funds for large treatment facilities had evaporated. She advised that the Department is not opposed to a central plant but would need to consider funding requirements.

Your Committee debated the amount of land being proposed to fulfill the affordable housing needs generated by the project. Mr. Chun stated that the proposed condition requiring 22 acres for affordable housing, 6 acres for a community center, and 2 acres for park purposes, is one that A&B can support.

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Mr. Chun reiterated A&B's commitment to fulfill the requirements of Section 14.12.040, MCC, relating to water availability. The Deputy Director of Water Supply provided information concerning A&B's development of a water source for the project, noting that the Department does not have much information currently that would allow it to identify the Kahului Aquifer as a long-term sustainable source. Ms. Bevilaqua provided your Committee with a map of the Island of Maui depicting its aquifers and respective sustainable yields.

Your Committee considered the proposed conditions submitted by the Council Chair and the Chair of your Committee at its meeting of January 10, 2008. Your Committee recommended that the proposed replacement for Condition No. 1 (relating to the feasibility of using the existing drainage basins adjacent to the South Project Area for open area recreational purposes) be incorporated, substituting references to the "applicant" with the landowner, Alexander & Baldwin, Inc.

Following much discussion concerning the sufficiency of the acreage to be provided for affordable housing purposes, your Committee recommended that the proposed replacement for Condition No. 7 be incorporated, as revised, to require Alexander & Baldwin, Inc. to provide land for affordable housing, a community multi-purpose center, and park purposes at the approximate location of the terminus of Kamehameha Avenue, near the new Maui Lani Park and Pomaikai Elementary School, as follows: (a) approximately 30 acres for affordable housing purposes; (b) approximately 8 acres for a Kahului community multi-purpose center; and (c) approximately 3 acres for park purposes. The condition also requires that the precise location of these lands be acceptable to the Department of Housing and Human Concerns and the Department of Parks and Recreation, and that Alexander & Baldwin, Inc. perform archaeological and topographic surveys of the land for the County's evaluation of the property's acceptability.

Your Committee also recommended that the following new proposed conditions be incorporated: (1) a new Condition No. 16, requiring Alexander & Baldwin, Inc. to work with the Department of Environmental Management to identify and dedicate to the County a mutually acceptable site or sites for future Central Maui wastewater requirements; (2) a new Condition No. 17, prohibiting residential use, including single-family dwellings and apartments, within the project; and (3) a new Condition No. 18, requiring Alexander & Baldwin, Inc. to provide a police substation within the project for the Department of Police, provided that the substation meets the approval of the Department.

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The Deputy Corporation Counsel noted that the last sentence of Condition No. 4, relating to availability of potable water for the project, is not entirely consistent with the timing requirements under Section 14.12.040, MCC. The ordinance requires that the director of water supply provide written verification of a long-term reliable supply of water prior to submittal of subdivision construction plans. Your Committee, therefore, recommended that the sentence be replaced by a requirement that Alexander & Baldwin, Inc. comply with Section 14.12.040, MCC.

Your Committee voted to recommend passage of a revised proposed bill incorporating your Committee's requested revisions in addition to nonsubstantive revisions, recordation of the unilateral agreement, and filing of the communication.

Your Committee is in receipt of a revised proposed bill, approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee's requested revisions and nonsubstantive revisions.

Your Committee is in receipt of an agreement entitled "Unilateral Agreement and Declaration for Conditional Zoning" executed by Alexander & Baldwin, Inc.

Your Land Use Committee **RECOMMENDS** the following:

1. That Bill No. \_\_\_\_\_ (2008), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE TO CHANGE ZONING FROM AGRICULTURAL, M-2 HEAVY INDUSTRIAL, AND R-1 RESIDENTIAL DISTRICTS TO M-1 LIGHT INDUSTRIAL DISTRICT (CONDITIONAL ZONING) FOR THE MAUI BUSINESS PARK PHASE II PROJECT FOR PROPERTY SITUATED AT KAHULUI, MAUI, HAWAII", be PASSED ON FIRST READING and be ORDERED TO PRINT;
2. That the County Clerk RECORD the "Unilateral Agreement and Declaration for Conditional Zoning"; and
3. That County Communication No. 06-55 be FILED.

Adoption of this report is respectfully requested.

