

**LAND USE COMMITTEE**  
Council of the County of Maui

**MINUTES**

**August 20, 2008**

**Council Chamber**

**CONVENE:** 1:33 p.m.

**PRESENT:** Councilmember Michael J. Molina, Chair  
Councilmember Joseph Pontanilla, Vice-Chair  
Councilmember Gladys C. Baisa, Member  
Councilmember Jo Anne Johnson, Member  
Councilmember Bill Kauakea Medeiros, Member

**EXCUSED:** Councilmember Michelle Anderson, Member  
Councilmember G. Riki Hokama, Member  
Councilmember Danny A. Mateo, Member  
Councilmember Michael P. Victorino, Member

**STAFF:** Tammy M. Frias, Committee Secretary  
David M. Raatz, Substitute Legislative Attorney

**ADMIN.:** Jeffrey Hunt, Director, Department of Planning  
Ann Cua, Planner, Department of Planning  
Kimberly Bal Sloper, Deputy Corporation Counsel, Department of the Corporation  
Counsel

**OTHERS:** Ryan Churchill, Senior Vice President, Kapalua Land Company  
Karl Bossert, Development Manager, Maui Land & Pineapple Company, Inc.  
Leilani Pulmano, Development Coordinator, Maui Land & Pineapple Company,  
Inc.

Donald Kirkpatrick  
Stanley Zajac  
May Fujiwara  
Anita Yamafuji  
Dick Mayer  
Charlie Silva  
Dr. George S. Lavenson, Board Member, Maui Unite  
Andrew Mioduchowski  
Additional attendees (15)

**PRESS:** Chris Hamilton, *The Maui News*  
Melissa Prince  
*Akaku--Maui County Community Television, Inc.*

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**ITEM NO. 65: COMMUNITY PLAN AMENDMENT, CHANGE IN ZONING, AND PROJECT DISTRICT PHASE I APPROVAL FOR THE PULELEHUA PROJECT (LAHAINA) (C.C. No. 06-236)**

CHAIR MOLINA: . . .(*gavel*). . . The Land Use Committee meeting for August 20, 2008 is now in session. We have, for the record, in attendance Committee Members Baisa, Johnson, Medeiros, Pontanilla, and Molina. Excused are Members Mateo, Anderson, Hokama, and Victorino. Good afternoon, Members.

COUNCIL MEMBERS: Good afternoon.

CHAIR MOLINA: We have one huge item on our agenda for today. But before we proceed, the Chair would also like to mention others in attendance. We have substituting for our Committee Analyst Carla Nakata, we have Mr. David Raatz, and the Committee Secretary for us today is Tammy Frias. And from the Corporation Counsel's office, substituting for James Giroux we have Kim Sloper, and of course from the Planning Department, we have Director Jeff Hunt and Senior Planner Ann Cua. Welcome.

Members, our item today is Land Use Item 65, which is a Community Plan Amendment, Change in Zoning and Project District Phase I Approval for the Pulelehua Project in Lahaina. And before we delve into that topic we will be taking public testimony. But for everyone's information if you'll note on the agenda today the Committee will not be taking any legislative action on the matter. The Chair's intent for having this meeting is to get an update from the applicant as it relates to the Traffic Impact Analysis Report as well as the Cumulative Impact Report as well. And in light of recent happenings with Maui Land & Pine and the layoff of employees, how that would have an impact on this particular proposal. So that is the Chair's intent and we will proceed first with public testimony, and then we will get a report from the applicant's representative. So with that being said, Members, we shall proceed with public testimony. Before we do that the Chair would like to go over a few ground rules. You'll be given three minutes to testify with one minute to conclude. Please state your name and any organization that you may be representing. And I would ask that you please turn off all cell phones and pagers so as not to disrupt our proceedings today. First to testify is Donald Kirkpatrick followed by Stanley Zajac.

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

MR. KIRKPATRICK: My name is Donald Kirkpatrick, I am new to Maui and live in Kahana. I'm interested in a lot of features about building in an area around the airport. But first of all, if you're going to put in about a thousand units, you're going to have about 3,000 people. Can we afford to have that many people more in that area without doing something about it? By doing about it I'm speaking of the driving problem on the main highway, driving. The water shortage - we're now in an area where we're asked to start taking water from our facilities and not using it so that

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they can feed more people. And we can't feed that many people with the amount of water that we have in our area. We got, we're doing this backwards, fellows and friends. We need to think about the idea of what we're doing, we have to do the things to back it up, and then come in and do the building. The highway is just too small, already that if there's an emergency and one of us has to go to the hospital, we have to realize that we have 45 minutes to live, and at the present time none of us can get over to that hospital in that amount of time. And even with, if we have more problems than that with adding a thousand more new people, we'll have babies coming in, a problem, and they have to be born somewhere.

We were shaken out with our problem about a hospital on the West Side, the worst decision that was ever made in a lifetime. We need that hospital very badly. I was at Maui Memorial two days ago for an operation, and that's why I'm shaking and I'm not talking too clearly. So I apologize for that. But I had to be here to try to support the people of Maui. The school on the runway, that's terrible. I don't have any children, I have great grandchildren. But if they were over here I'd be very concerned living at where a school was going to be built at the base of a runway. The sewage is a terrible problem. Around some of the areas on the highway the smell is so bad that people have, are turning around and driving away. And we're adding more sewage and, and we're not ready for it. We need to get ready for it. Remember this, animals are a very important part of our lives. If we put in that many people in the units and more animals come into the area, they're going to have even more problems than we have now. I have two dogs and both of my dogs were bitten, and I almost lost my little boy dog by a dog off of a leash. And that is only a few animals in our area.

MR. RAATZ: Three minutes.

MR. KIRKPATRICK: And that basically is my things that we just need to work first about getting the structure ready and then we can go and build more homes. We do need the homes but we're not ready for it. Thank you very much.

CHAIR MOLINA: Okay. Thank you, Mr. Kirkpatrick. Committee Members, questions for the testifier? Seeing none, thank you for your testimony. Next to testify we have Stanley Zajac followed by May Fujiwara.

... *(Silence)* ...

MR. ZAJAC: My name is Stan Zajac and I've been a resident here on Maui for approximately eight years. I do not represent any organization; I'm just speaking for myself. I came here to live here from the Midwest area to where I felt this was a community that cared for both its residents and its beautiful God-given land. I'm not against true affordable housing, nor am I against a Pulelehua concept. But I am dumbfounded as to some of the planning that has gone into the location selected in building more homes. It appears that we just put the cart before the horse. Would we . . . could possibly compare this to me building a building, a home, and when it's completed somebody comes over and say, "Hey, Stan, you forgot you need a foundation". Proper planning and infrastructure needs to be a priority before building a successful community.

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Building a family-oriented community adjacent to any size airport, big or small, is not the healthiest nor the safest for its inhabitants. Show me one community in this nation that is building a family-oriented community around an airport. This was asked once of the FAA a few years ago at a meeting, and I was told I'd be give an answer. Never was given an answer. With airports we have not only the noise or air pollution, but we have a big safety issue as planes both big and small having at times major problems in either landing or in takeoffs from the runway. A large perimeter of undeveloped land should be set aside surrounding that airport, and it should be a top priority as a safety barrier for some of those pollution problems and safety issues for future residents. And if we don't think it's a problem, in the daily news today you'll find out that a Spanish airliner crashed on taking off. So that is a major problem in taking off and landing of aircraft.

Water at this time with our current drought conditions being recognized we will be able to supply, will we be able to supply adequate quality water to all their timeshare, condos, and the new large communities. I have yet to see or hear what our water reserves actually are in numbers, not that we have plenty of water. Wells can be drilled but we must realize that this water has been contaminated for years by chemicals and pesticides used on these agricultural lands. Will the public have to pay to clean this up and for how long? Sewage, I'm just going to go over that briefly. With our current 33-year-old sewage treatment facility --

MR. RAATZ: Three minutes.

MR. ZAJAC: --will we be able to handle the condos, timeshares, and a new community? And will all the pumping stations also send odors throughout new areas of our community? And the last thing here I have or the last two items are schools and the highway. Who's going to build the school? I mean we're saying it's going to take away the pressure off of the highway and Lahainaluna. Right now, our schools are overcrowded and who's building the school? The County's not building, the State's not building, when is it going to be built? The bypass again, that's a 22-year making, in the making, it still isn't done, we're still waiting, and yet we're putting up another subdivision. In addition, the only highway that we have, what I called to the other side of the island and it's a need for those that need hospital aid --

MR. RAATZ: Four minutes.

MR. ZAJAC: --in an emergency situation. All right, I want to close and hope that you think about everything that I've said and the items that are in the agenda that I've given everybody, and I hope the correct decisions are made. Thank you.

CHAIR MOLINA: Okay. Thank you, Mr. Zajac. Committee Members, questions for the testifier? Hang on, Mr. Zajac, you have a question from Councilmember Medeiros. Mr. Medeiros, you may proceed.

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COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. And, Mr. Zajac, thank you for being here and for your testimony. I just wanted to ask you, because in your testimony you say you're not against true affordable housing. Can you expound on what you consider true affordable housing?

MR. ZAJAC: I don't think that a home that's \$450,000 is truly affordable in my opinion. An average person making 11-\$12 an hour, that person has to work two to three jobs, the husband has to work two jobs, and the wife has to work a job. They are needed for the family at home. But that is not saying a \$450,000 home is a true affordable home.

COUNCILMEMBER MEDEIROS: I see. And, and who do you think should bear the financial responsibility to build affordable housing?

MR. ZAJAC: I think the developers can put in true affordable housing. I think they can. To control it, I don't know, I can't say. I would think that it would be nice if a County, a branch of the County could control affordable housing and keep them as affordable, not five years down the road that that house is sold for whatever top dollar it can get. I think that should go along with the cost of living, as it goes up that home is worth that much more. And if it's affordable it stays in the affordable category.

COUNCILMEMBER MEDEIROS: Okay. Thank you. And just maybe for some information from you.

MR. ZAJAC: Yes.

COUNCILMEMBER MEDEIROS: That the County affordable housing is based on HUD's recommendations. It's not what we recommend but what HUD recommends.

MR. ZAJAC: I understand what it's coming from, but in your mind tell me who here working Maui Land & Pine, working at a restaurant, can afford to buy a home for \$450,000? Tell me?

COUNCILMEMBER MEDEIROS: Yeah. Okay. Thank you, Mr. Zajac.

MR. ZAJAC: Thank you.

COUNCILMEMBER MEDEIROS: Appreciate it. Mahalo, Mr. Chair.

CHAIR MOLINA: Thank you, Mr. Medeiros. Committee Members, any other questions for the testifier? Seeing none, thank you for your testimony, Mr. Zajac. Next to testify we have May Fujiwara to be followed by Anita Yamafuji.

MS. FUJIWARA: Good afternoon, Chairperson Molina and Members of the County Land Use Committee. Thank you for allowing me to speak. My name is May Fujiwara. I'm a long-time resident of West Maui, retired, and a very concerned senior citizen. I'm here in support of

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Pulelehua. Most of my senior citizen colleagues have children and/or grandchildren living with them. How wonderful it would be if they could have homes of their own, homes not too far from us, so they can still come and check on us, and homes close to their place of employment in West Maui, homes they can afford to purchase, who we seniors can enjoy our golden years in peace and quiet. Our children and our grandchildren who don't live with us have decided to move to Central Maui because home prices there are lower. Yet they still work in West Maui adding to the commuter traffic, and of course with gas prices skyrocketing the many commuters who would love to live closer to their work in West Maui. Pulelehua is designed with smart growth principles, neighborhood stores, a school that will alleviate the over-crowdedness of our West Maui elementary school, parks all within walking distance. With the economy the way it is today we need to put our construction workers back to work, and you the Council can help by expediting this zoning change so Pulelehua can become a reality and people can dream and hope for an affordable home of their own. Again, I would like to urge you to expedite this zoning change so Pulelehua can be built soon. Thank you for listening.

CHAIR MOLINA: Okay. Thank you, Ms. Fujiwara. Committee Members, questions for the testifier? Seeing none, thank you for your testimony. Next to testify we have Anita Yamafuji followed by Dick Mayer. And by the way, Members, the Chair thanks you for coming out today. We're operating on bare quorum, so if for whatever reason you need to live the room just signal the Chair and we'll call for a recess. Thank you. Good afternoon, Ms. Yamafuji.

MS. YAMAFUJI: Aloha, Members of the County Land Use Committee. My name is Anita Yamafuji, I'm a life-long resident of West Maui. We need affordable housing now. At least 51 percent of the homes built in Pulelehua project will be affordables, so many of the workers living on the other side of the island and working in West Maui can afford to purchase this home and live closer to their jobs. Living in West Maui and working in West Maui is, will cut down the commuter traffic. Not only that, family can spend more time together instead of spending so much time driving to and from work. Pulelehua will be like the old neighborhood we used to, we were used to, to where anyone knew his neighbor where we could walk, walk, and walk, and walk from school to the store, to the park, and the community center. In other words, nearly everything will be within walking distance. Pulelehua has already been designated, you have been, by the State Land and Use and also made it on the draft Island Plan. So we could like, we would like to ask you to make this zoning change happen to Pulelehua and be built soon. Thank you for, for allowing me to speak.

CHAIR MOLINA: Thank you, Ms. Yamafuji. Committee Members, questions for the testifier? Seeing none, thank you for your testimony. Next to testify we have Dick Mayer followed by Charlie Silva.

...*(Silence)*...

MR. MAYER: Thank you, Chair and Council members. My name is Dick Mayer. I've testified in the past on this at the Land Use Commission stage, the Planning Commission. I know that you're being pressured very strongly to approve this because it's being touted as an affordable housing

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project. It is not an affordable housing project, it is a project, a very large development which is following the County's ordinance of 50 percent housing that's at an affordable level. The other part is market. I would urge you, if you decide to go ahead and approve this, to attach a number of conditions. I know at some point you're going to get down to conditions, but I'd like to put them out on the table at this point. I would urge you number one, and I think this is extremely critical because the Council has already given approval to a nearby project by the same developer as part of the old plantation to put up Kapalua Mauka with 690 luxury homes with a minimum requirement of affordable housing. I would ask that you, if you approve this project, as a condition of this project that it be built before Kapalua Mauka and that 90 percent of it be completed prior to even the start of Kapalua Mauka. That will provide the affordable housing that our community needs.

Number two, that at no time during the project within the Pulelehua area should there be more market houses built than affordable. In other words, the number of affordables within the project should always be greater than the number of market houses being offered. Number three, that the small affordable housing unit number that was included within Kapalua Mauka not be included within the Pulelehua numbers, otherwise, we'll have double counting. In other words, if there are 900 houses built there should be 450 affordable housing units that go with the Pulelehua project, and then any other affordables that would be built in this project area because of Kapalua Mauka be added to that 450 number, not be included within it. Otherwise, we'll have double counting. That the affordable housing units be put under a special entity, created by Maui Land & Pine, the owner, to be able to buy back these houses. In other words, the affordable houses should be affordable in perpetuity and that an agency or entity should be created which will be able to buy back those houses. The price could go up based on the construction cost index or some other index, but that there be an entity there; otherwise, these houses may be bought and then relatively quickly sold within ten years. And all of a sudden they're lost and you're going to have another race for more affordable housing.

Next, that the elementary school not be placed near the airport. That was already mentioned by others and I think it's absolutely critical. You don't want to put it near a runway. The water rates charged to this project by the private developer not be higher than what the County is charging for water for affordable housing. So they could charge what they want for the market houses, but the affordable houses should not be paying higher water rates than would be paid for if the County were providing that water. And that the water that is to be used not affect the next-door project, Hawaiian Home Lands; in other words, Hawaiian Home Lands should be able to get the water it will need to build its large project next door to this project and not have this project taking water that would be used on that project.

MR. RAATZ: Three minutes.

MR. MAYER: Do I have one more minute?

CHAIR MOLINA: Yes, sir. Proceed.

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MR. MAYER: Thank you. Or should I come back at the end?

CHAIR MOLINA: You can go ahead and conclude in a minute.

MR. MAYER: No, if I, can I come back at the end and have three minutes?

CHAIR MOLINA: No. Chair's --

MR. MAYER: Okay. Okay.

CHAIR MOLINA: --just going to just allow the one-minute option.

MR. MAYER: Thank you. Maui Land & Pine should set aside 50 acres near Honoapiilani Highway for the community-planned regional park, not move that park elsewhere out of that district, because there are many residents of Kahana and nearby housing that need that park. The County's one very important element is the impact fees. Impact fees are absolutely essential. Kapalua Mauka got away with building nothing more than enough money to build a traffic light for that huge 690 luxury homes. This project should not get away with putting up almost no impact fees for two particular areas, one is the highway and secondly a school, but there are also impacts on, for Police, Fire, all the other things that we needed out in that area. And they should be placed in there as conditions not just giving up 13 acres of land so they can build a school.

MR. RAATZ: Four minutes.

MR. MAYER: And let me finish with that one. Thank you very much.

CHAIR MOLINA: Okay. Thank you, Mr. Mayer. Could you also provide the Committee with a copy of your testimony also?

MR. MAYER: I'll rewrite this. And let me just add, I do want to add, I'm not speaking on behalf of the general, GPAC of which I'm a member, and this is purely on my own testimony.

CHAIR MOLINA: Okay. Thank you, Mr. Mayer. Committee Members, questions? We have Member Johnson.

COUNCILMEMBER JOHNSON: Yes, Dick. With regard to the impact fees that you were speaking about and, and I guess the, you know, putting the horse before the cart so to speak. Because we have some of these things still pending and of course the way that we're doing it currently is to say that if and when impact fees are adopted, you pay them. How do you view that in terms of us looking at a project where it may be some time down the road before these are actually implemented? Can you give me your thoughts?.

MR. MAYER: I would, I would actually ask that this whole item be tabled and follow what the General Plan Advisory Committee did. I'm not speaking for them per se not now. But they did pass the

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resolution which was addressed to you and sent to you six-eight months ago, which asked that these sorts of projects not be adopted at this time until the General Plan Advisory Committee and then the Planning and you folks have a chance to look at the interaction of all of the proposals from West Maui and from the island to see what can be done, what should be done, what the impact fees are that will be necessary. Will the County really be able to provide the roads to the schools, the sewage plant, the water systems, et cetera, et cetera, et cetera? These ambulance services, all these other, that's what a general plan does. Approving a project of this scale at this time I think is out of place. At that time you'll have an idea what the impact fees will be, 'cause you'll know what infrastructure is going to be needed to build those various things. So I'm asking actually that this whole item be tabled until that point, and I think that would be the wise thing for the Council to do.

COUNCILMEMBER JOHNSON: And, and I really appreciate that. 'Cause, you know, it always seems we get ahead of ourselves and then sometimes we never get the fees. That's been happening for more than 20 years. One of the other questions that I have is in regard to, and you talked about Kapalua Mauka and the timing. One of the conditions that I had originally sought to place within Kapalua Mauka was tying the phasing of that development to the phasing in of the completion of our bypass. Now I know you didn't speak specifically about that, you know, type of thing, but you made reference to other timing. Do you feel that's still a reasonable approach to take with regard to looking at projects of this magnitude that it has to be built in phases and then tied in to completions of things like the bypass?

MR. MAYER: The bypass is actually only one small, that's only a two-lane road through Lahaina. That's trivial compared to the real problem that we all know exists in West Maui of a highway from Maalaea to West Maui. We have only Piilani Highway along the coast which needs to be moved inland. Then we have that tunnel which is a bottleneck. What this project is asking for is roughly 1,100 units, 1,200 units, depending on how you count the ohanas, plus the 690 at Kapalua Mauka, plus the recently approved 390 timeshares over at North Beach. That's already 2,000 units right there. And when you put all that traffic on the road, the bypass is only one small part in the, and a question you have to ask State DOT is, is there enough money in the next 25 years to build a highway from West Maui to Maalaea? And if there is not enough, then you have to very seriously think what should be done and if necessary impose the impact fees that are needed to get that, that, that either transit system or highway built.

COUNCILMEMBER JOHNSON: Okay. Thank you very much, Dick. I appreciate your input.

CHAIR MOLINA: Thank you, Member Johnson. Committee Members, questions for the testifier? Seeing none, thank you for your testimony, Mr. Mayer.

MR. MAYER: Thank you very much.

CHAIR MOLINA: Next to testify we have Charlie Silva to be followed by George Lavenson.

... *(Silence)* ...

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MR. SILVA: How's it, Mr. Molina, Committee Members. My name's Charlie Silva. I've been a resident of Maui for 54 years, all my life. I'm kind of like one of them dumb Portuguese, yeah. I don't know much of nothing, I'm very uneducated. What I know is Pulelehua from what I've seen and what I've been told over the years would be a nice place for me to retire. And I'm greedy about that because I worked since I was 15 years old, and I got tax returns to prove that and social security taken out of my check. I would like to retire like you people that come here from someplace else, enjoy the beauty of the island. Pulelehua offers that, a view that, you know, I no can get in Wailea, I no can get in Kapalua. But they get that view of Molokai, Lanai, the channel, the ocean right there. I would like to experience that when I get old, when I get old. And, you know, water is a problem, a lot of guys tell me where the water coming from. I don't know where the water coming from. You guys all smart people, you guys should have figured that out already. Maui Land & Pine, the thing I got with Maui Land & Pine is, you guys going get the zoning for this project and what, you guys going sell 'em? Then what? You guys going make big bucks 'cause the thing zoned already. Whoever gets that after you guys going do what they do. You know, that's the thing concern me. The watershed up on the top, you guys take care that watershed...

CHAIR MOLINA: Mr., Mr. Silva, can you address the body please, yeah.

MR. SILVA: Oh.

CHAIR MOLINA: Thank you. Yeah.

MR. SILVA: The watershed on top of the mountain, you know, Maui Land & Pine does a very excellent job with taking care that watershed. It's a concern of mine too. What's going happen to that watershed if Maui Land & Pine decides to pull out of there? County going take 'em over? I no think so. County no more enough money for that. Pulelehua is one nice little community, kind of like plantation camp when I was growing up. And I just speaking for myself, I not representing nobody except me. I like retire over there, I like look at the ocean, I like kick back, put my feet up on my porch, play my guitar, and look at the ocean, and just relax and enjoy Maui the way you guys come over here and enjoy Maui. See, I no can enjoy Maui. I no can go ocean, I go ocean once. I work Hookipa four years, I went in the water twice. I the guy gotta work seven days a week, two jobs, three jobs, whatever I can get, scrape along because I made mistakes when I was young. But Pulelehua gives me a little bit of an opportunity to make up for those mistakes and really just kick back and enjoy the view is what I like do. You guys get way too serious about this whole thing. You gotta remember rule 62, don't take yourself so serious, you know. Thank you for letting me share. I don't know if I made sense but, you know, I had to say something. Thank you.

CHAIR MOLINA: All right, thank you, Mr. Silva. Your testimony is appreciated. I'll start with Member Johnson. Questions for you, Mr. Silva, from Councilmember Johnson.

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COUNCILMEMBER JOHNSON: Thanks so much, Charlie, and I know, I can just see you zipping down on your motorcycle. But you've got to be careful going across the Pali, that's for sure. One of the questions I had 'cause I think Member Medeiros asked it earlier about, you know, I mean I know you work for the County, so I don't know what everybody makes for wages. But in your view what, what do you think is affordable as far as a price that you could afford for a house that, you know, I know in retirement you don't make as much money as when you're actively employed. But what do you feel is realistic?

MR. SILVA: For a two-bedroom house in Pulelehua with the view for a guy like me, 280,000, that's affordable. I can afford that on my retirement for that view in Pulelehua to live in Lahaina.

COUNCILMEMBER JOHNSON: And, and what kind of, would that be, you know, just buying it outright? I don't know if you own another property and I don't mean to pry into your own business. But would, you know, 'cause usually when you're retired it's really hard to get mortgages. So I'm not sure, you know, it would be over 20 years, 30-year mortgage or?

MR. SILVA: I have no idea, I just want to get in the door, sit down, relax, enjoy that view. And I got an idea for Maui Land & Pine and A & B, they donate 50 acres each to the County, little parcels here and there and let the County build affordable housing. 'Cause the County gets money from the Federal government for affordable housing. So donate some land to the County, tell 'em, here 100 acres, go build some houses. Would solve lot of your guys problems.

COUNCILMEMBER JOHNSON: I appreciate your suggestion too. And I thank you very much too, Charlie.

MR. SILVA: Thank you, Ms. Johnson.

CHAIR MOLINA: Okay. Thank you, Member Johnson. Mr. Pontanilla? Charlie, hang on. You have a question from Councilmember Pontanilla. . . .*(end of tape, start side 1B)*. . .

COUNCILMEMBER PONTANILLA: Thank you, Mr. Silva, for that passionate talk regarding affordable housing. And I was going through this handout and maybe what you can do is check with Housing and Human Services, because more than 50 percent of the affordable housing going fall in the range of 50 percent median income to 160 percent median income. So you're going to the lowest of the lowest to an area where, you know, if a family with two professionals that are working that would qualify for the 160 percent median income. So go check because you may fall within this price range here between 50 percent median income, and, well I doubt it's 160 percent but more than likely 100 percent below. So that will give you an idea how much the affordable home is going to cost you, it may not be \$460,000. Thank you.

MR. SILVA: I think that's a little extreme. That 460 price is a little extreme. You know, you guys want to help local people, keep them affordable. You guys get plenty money. Maui Land & Pine get big bucks. Keep it affordable for us guys. Us poor guys we no can afford the 400, 500, \$600,000 homes. Give us one place like Pulelehua with that view and just the environment is

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cool. Give us that for an affordable price. Cut, you know, lose little bit money, so what, keep the community happy. What's more important?

CHAIR MOLINA: Okay. Thank you, Mr. Silva. Committee Members, any other questions? Hang on, Mr. Silva, you have, Councilmember Medeiros has a question. You're a popular guy today.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. And, Mr. Silva, thank you. I know it takes a lot to come forth and testify in these Chambers. So I appreciate you coming forward to testify and to give us your thoughts, and we, we, we can feel and understand your passion. And I know you have spoken many times about a dream to retire at Pulelehua. And you have, you know, stated your reasons why and I agree, it's a beautiful view, lovely place to live. And, and I just want to ask you that if this becomes possible for you, you will want to purchase a place or affordable unit in this project after you retire or while you're still working?

MR. SILVA: Um . . . it doesn't matter, you know, I need to get my foot in the door. Mr. Medeiros, you know, I got a little bit disability on my left side, I got paralysis and that's going to affect me, I presume, more in the future as I get, as I age. I'm looking for something comfortable. If I like go ocean, I can walk across the street just about, jump in the ocean, go swim. They get running paths around there, walking paths, I can walk around that whole neighborhood, and that would be fine with me. I can run around that whole neighborhood would be fine with me. Close knit, everything is right there. This going be people coming here whether they build Pulelehua, whether they build Kapalua Mauka, whether they build Ritz-Carlton, whatever, Maui not going stop growing. If you guys don't know that by now, this island going, it's not going stop growing. We slow down little bit but there's people coming here with bucks, and they like move here and they like enjoy the beach and the ocean and everything like us poor local guys want to do too. But we no can because we got to work all the time. But this island going grow whether you put Pulelehua or not, Lahaina is going grow, Kihei is going grow, it's all going grow.

COUNCILMEMBER MEDEIROS: Okay. Mr. Silva, thank you so much. And I, I, I tell you, you know, not to lose sight of your dream to purchase a unit where you want to live. Mahalo.

MR. SILVA: Thank you, Mr. Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman.

CHAIR MOLINA: Thank you, Mr. Medeiros. Committee Members, any other questions for the testifier? Seeing none, thank you, Mr. Silva, for your testimony. Next to testify we have George Lavenson, and please forgive me if I mispronounced your name, to be followed by Andy Mioduchowski, or Andrew Mioduchowski.

MR. LAVENSON: Good afternoon. Thank you very much for letting me make a few comments. I'm on the Board of Maui Unite and primarily speak though for myself. And I'm not only a retired, semi-retired physician but also a private pilot. And the first issue of course as has been brought up is the proximity of this development to the airport in Kapalua. And it's just very unusual and

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not safe to have residences so close to an airport like that. It's only 3,000 feet. Accidents don't occur right on the runway, they occur near the airport like happened in Kahului two years ago and today in Spain, where I think 119 people were killed and large fires due to the petroleum. It's just dangerous. And then to have a school almost under the approach for Runway 20, I wouldn't want to live there and I certainly would not feel comfortable having my children there on a day-to-day basis. This, this land we feel is being used to accommodate the obligation for affordable housing by the developer, and it's being used because it is cheaper than that used for the millionaires' homes. And it's cheaper because it is dangerous and close to the airport. The, you will hear that a consultant through the developer said the FAA has cleared it. Well, they cleared it as far as their aircraft go. There's no towers or large buildings that would be a danger to the aircraft. But they did not clear it for the people on the ground, and that's a point we need to make.

And also, even beyond the airport, I'd just like to say that there's many of us who feel that we do need a pause, if you will, or waiting, as was mentioned, until the General Plan can really look at the situation in West Maui, so it is done in a reasonable and responsible way. This is one of the loveliest places on earth and I don't think any of us wanted to, want to see it be another Honolulu or a Miami or a Cancun or a Las Vegas. And so already over 22,000 units have been approved or have applicants and this adds, you know, another 12 or 1,300 plus Kapalua Mauka, and it is time to stop and do the kind of planning that Dick has mentioned earlier. And I think that's one of the reasons we have organizations like Maui Unite and others of us who are coming in and saying we do need a pause. We, we also need to point out we, we do need affordable housing, no question about that. Not so many millionaire homes, affordable housing. But this, this is only obligation for ML&P for their employees. It does not handle the General Plan general problem. And in our opinion, this is the wrong location, the wrong place, and too focused, not general enough to really address our plans and without proper planning beforehand. So thank you very much.

CHAIR MOLINA: Thank you, Dr. Lavenson. Committee Members, questions? Councilmember Pontanilla, question?

VICE-CHAIR PONTANILLA: Thank you. Thank you, Mr. Lavenson, for being here this afternoon. You know, your group Maui Unite, have you folks ever thought about or discussed about maybe moving the airport somewhere else? Because surrounding this area, you know, we have Department of Hawaiian Home Lands that's further south of this particular project here that would also be in the line of the aircraft coming into the airport. So maybe, you know, your group can take a look at that and see, you know, look at the feasibility of moving that airport elsewhere. Because when Department of Hawaiian Home Lands do their development out in Honokowai, Kapalua area, you're going to have the same problem. And we're probably going to be hearing from you again in regards to the airport itself. So, Chairman, thank you.

MR. LAVENSON: I think we appreciate what you're saying. But right now that provides one form of transportation, and I think our emphasis is on reducing the ...*(inaudible)*... application of

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development to West Maui and getting some planning and comments on that rather than removing one form of transportation. But I understand what you're saying. Thank you.

CHAIR MOLINA: Okay. Thank you for your comments, sir. Committee Members, questions for the testifier? Seeing none, thank you, Dr. Lavenson.

MR. LAVENSON: Thank you very much.

CHAIR MOLINA: Next to testify we have Andrew Mioduchowski. Mr. Mioduchowski is the last person to have signed up. The Chair will give the public one last opportunity to testify upon the completion of Mr. Mioduchowski's testimony. Proceed, sir.

MR. MIODUCHOWSKI: Hi. Yes, my name's Andrew Mioduchowski. I'd like to thank the Council and the Mayor for letting me speak. I am a resident of West Maui; I've been a resident for just about five years. But one thing that I know really need is affordable housing on the West side. And just the other day me and my wife, we seen this little house, I live in Honokowai and this is, little house is rundown, it was overgrown with weeds. And we thought, oh, man, that might be a great place to find out about buying and, you know, seeing if we can get a, you know, fix it up. So we tracked down the owners and they were out there one day working on the place and we asked them how much you think you're going to be selling it for, and they're asking \$3 million for a house in Honokowai. And I was like, and it, it was, it's a rundown dump, I mean. So we really need affordable housing on the West side. And another point - I worked for Hawaiian Dredging and I do have to commute, this last year I've had to commute up to Pukalani everyday. But what I've noticed is the traffic, most of the traffic coming in to Lahaina in the mornings, in the evenings is coming to, workers coming to Lahaina to work, not leaving it. And I think this project will help people who live on the West side be able to work and live there and not have, you know, the commute coming into the community, and I think that's, that's another issue.

Third issue is that I really like the idea with Pulelehua that they have a lot of walking and hiking trails and things in the community. That's one thing that we really miss on the West side. Most people they walk up and along Lower Road which is very dangerous, there's not many sidewalks, which me and my wife do. We usually actually walk up to the airport and walk up the hill which is a nice walk, we look at the view and everything. And I, I think that it's a really plus that they're going to have walking trails and it's going to be a development that really is concerned for the environment, things like that and the community-based idea. And the fourth, fourth comment I guess I have is in regards to the airport. To me, I think that's a plus to be that close to the airport actually. My, my brother and sister-in-law they live just down the hill from Pulelehua, about a block or two away, and when they travel to go anywhere they're able to just walk up the hill and take the airplane. And I think that's a really positive thing, I don't think that's necessarily a negative thing. So I wanted to thank you guys for letting me speak here. And I am definitely in support of Pulelehua, and thank you.

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CHAIR MOLINA: Okay. Thank you, Mr. Mioduchowski. Committee Members, questions for the testifier? Seeing none, thank you for your testimony, sir. Committee Secretary, have there been any additional signups for testimony?

MS. FRIAS: No, Mr. Chair.

CHAIR MOLINA: Okay. Chair will offer anyone in the gallery one last opportunity to testify. Okay. Seeing none, the Chair will close public testimony for Land Use Item 65. Any objections, Members?

COUNCIL MEMBERS: No objections.

CHAIR MOLINA: Okay. Thank you very much, Members.

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

CHAIR MOLINA: Let us proceed with the discussion of Land Use Item 65 is a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 2476 . . . AGRICULTURE, PARK, AND OPEN SPACE TO WEST MAUI PROJECT DISTRICT 5 (PULELEHUA), FOR PROPERTY SITUATED AT MAHINAHINA, KAHANA, LAHAINA, MAUI, HAWAII". The purpose of the proposed bill is to grant a request from Randy Endo, Esq., Vice-President, Community Development, Maui Land & Pineapple Company, Inc., for a Community Plan Amendment from Agriculture, Park, and Open Space to West Maui Project District 5 (Pulelehua) on approximately 310 acres located at Mahinahina, Kahana, Lahaina, Maui, Hawaii to facilitate the development of a mix of residential units for all income groups, including up to 900 single-family and multi-family units with the potential for an additional 300 ohana units; commercial uses; civic uses, including a 13-acre school site; parks; and open space.

Number two, we have a proposed bill entitled "A BILL FOR AN ORDINANCE TO CHANGE ZONING FROM AGRICULTURAL AND INTERIM DISTRICTS TO WEST MAUI PROJECT DISTRICT 5 (PULELEHUA) FOR PROPERTY SITUATED AT MAHINAHINA, KAHANA, LAHAINA, MAUI, HAWAII". The purpose of the proposed bill is to grant the request for a Change in Zoning from Ag District and Interim District to West Maui Project District 5 (Pulelehua) for the subject property to facilitate the development.

And third, we have a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING TITLE 19, MAUI COUNTY CODE, TO ESTABLISH PERMISSIBLE LAND USES, STANDARDS OF DEVELOPMENT, AND ALLOCATIONS OF LAND FOR WEST MAUI PROJECT DISTRICT 5 (PULELEHUA) FOR PROPERTY SITUATED AT MAHINAHINA, KAHANA, LAHAINA, MAUI, HAWAII". The purpose of the proposed bill is to grant the request for Project District Phase I Approval for West Maui Project District 5 (Pulelehua) for the subject property to facilitate the development.

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And as was mentioned earlier, Members, the Committee's intent is for no legislative action to be taken today. Again this is basically a status report and also to do, I guess a Q&A with the applicant as far as what has transpired recently with the layoffs of the employees from the applicant. Before I turn matters over for a status report from the applicant, I would like to ask the Planning Department if they have any opening comments to make on this particular matter.

MS. CUA: Mr. Chair and Members of the Council, the application was submitted to the Council back in 2006, and we did receive a request recently from this body asking for copies of the final Environmental Impact Statement on this project. That was transmitted up to the Council on April 10, 2008. It is, it is two volumes. Also, the application booklet for the Land Use applications were also transmitted to you. In addition to that, you requested a Cumulative Impact Analysis be done, the applicant and the Department have been working on this. The Department is in receipt of the Cumulative Impact Analysis document, I believe we just received it. We're going to be transmitting it out to agencies for review, and once we get the agency comments we'll be transmitting it to this body for discussion.

CHAIR MOLINA: Okay. Thank you.

MS. CUA: That's all I have today.

CHAIR MOLINA: Thank you very much, Ms. Cua. Committee Members, any questions for the Planning Department before I call upon the applicant's representative? Councilmember Johnson?

COUNCILMEMBER JOHNSON: Yes. And in their handout that we received today, the Traffic Impact Analysis Report is also awaiting --

MS. CUA: Right.

COUNCILMEMBER JOHNSON: --HDOT review, is that correct? And what kind of timeline are we looking at on that?

MS. CUA: I'm not sure.

COUNCILMEMBER JOHNSON: Okay. We'll ask the applicant.

MS. CUA: Well and, you know, they may not know when they would get comments back from the Department of Transportation.

COUNCILMEMBER JOHNSON: That's it. Thank you.

CHAIR MOLINA: Okay. Thank you, Member Johnson. Any other questions for the Planning Department? Seeing none, Members, the Chair would like to call upon the applicant's

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representative. I believe that will be Mr. Churchill, Ryan Churchill, Senior Vice President for Kapalua Land Company. Good afternoon, Mr. Churchill.

MR. CHURCHILL: Good afternoon.

CHAIR MOLINA: Mr. Churchill, the Chair would like you to proceed with, I guess, updates first on the . . . *(inaudible)* . . . Impact Analysis Report as well as the, anything that you have heard with regards to the State Department of Transportation with the TIAR, Traffic Impact Analysis Report. And then also we'll ask some questions related to what's going to happen with Pulelehua in light of the recent layoffs of employees. Proceed.

MR. CHURCHILL: Sure. First just follow up with Ann and the topic that was there, and I have this in the handout and I'll cover all the slides here, and so you have about six or seven slides here to go over. As Ann mentioned, a cumulative impact analysis was requested at the last Council, the last Council meeting, and after that meeting the Planning Department contacted us and we had many meetings with them, and they asked for our assistance to help prepare that analysis. And we met and contacted all the different agencies within the County from Fire, Police, Wastewater, Water, and also DOT to work on that analysis. And the draft of that analysis is done and was provided to the Planning Department, and they'll probably be some time to have that circulated and get the, the review on that. But it was, I just want to comment, a very interesting analysis to do to look at that on kind of a global basis and I think would provide a bunch of interesting facts that will be helpful in your decision-making process.

The Traffic Impact Analysis Report, there was concern at the last Council meeting that the report was somewhat dated, the information was back about four years when the initial baseline information was taken. So we've updated that study, took new baseline data from this spring and integrated that into a new Traffic Impact Analysis Report and have completed that, and it's kind of stuck in a bureaucracy right now between getting the signoffs on the background data for that report being signed off by DOT for their own internal review. Now the background data is, is owned jointly by the State and County and so we've been working through to get the, the signoffs from the State and County and are waiting one signature on that. When that signature is done, DOT will start their review. I'm not sure how long that will take, you know, it usually takes, you know, a few months for comments from DOT, but we'll be pushing to get their comments. And we've been working with them for some time on this project, so we hope to get their comments quickly.

CHAIR MOLINA: Okay.

MR. CHURCHILL: So that's an update on those two. I wanted to let you know that the recent layoffs of the company announced a couple weeks ago have no impact on this project. We still have approximately 775 employees and as we continue to invest in the resort, the resort employment base will continue to grow over the next few years as we bring on new amenities out there in the resort and have new projects be completed. So we expect the employment base to grow and the

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need for affordable housing to remain there for some time. So the layoffs really have no impact on our support and continued movement of this project.

If you go to the slides I handed out, real quick I'll give you an update on the entitlement status. As mentioned, you know, going back to 2005 the Environmental Impact Statement was, was accepted by the State Land Use Commission. The Maui Planning Commission recommended approval in June 2006, and the State Land Use Commission re-designated the land to Urban in that some month in 2006. Additionally, since our last meeting, Pulelehua has been included in the Draft Island Plan, urban growth boundary map. Turning the page to Page 3, I think the Chair appropriately, appropriately mentioned the different applications we have in front of you today, so I think you're all pretty clear on that. Page 4, we talked about the additional analysis that's underway and continue to be processed. Page 5, I just wanted to take a minute to reinforce the benefits of Pulelehua. First, important to note that Pulelehua is designed by and for the working families of Maui. This is not a resort project, TVRs won't be allowed, and this is a project designed and for our workforce. Second, the project will provide hundreds of affordable homes, I touch more on that in a second. And third, Pulelehua will be the site of a new 13-acre elementary school. Design for the school by DOE is underway, funds have been released for a good part of the design, and the master plan is already completed for the school. And DOE went through a charrette process in West Maui for that. Fourth, as mentioned in some of the testimony, Pulelehua will, will bring families closer to their jobs saving them stress and time, and taking cars off the Pali. It's interesting to note that based on the Lahaina Bypass Now survey last year it's estimated that 35 percent of West Maui workers are commuters, and I think that was mentioned earlier, just the stream of cars coming over to West Maui in the morning. And Pulelehua will provide workforce housing opportunities near people's place of work. So I think that's an important part of the project. In addition, the project will provide significant economic benefits to the island with over \$300 million in investment for the project.

Now if you go to Page 6 on affordable housing, affordability of the project has been a priority from day one, long before the Workforce Housing Bill came out and was enacted. And we came out and committed to over 50 percent affordable for this project and we'll continue that today. Fourteen percent of the units we plan as affordable rentals and 40 percent are planned as affordable for sale and so totaling up, 54 percent. In addition to our commitment on affordable housing that we'll be providing, we've committed to 100 units that will be in that gap-priced area of 160 percent to 200 percent of the HUD median family income. So again, totaling that up it's approximately two-thirds of the project is below market housing. One thing I just wanted to point out if you go to Slide 7 is what Pulelehua does not have. And one, we don't have any archeological sites; two, Pulelehua does not have any endangered natural resources, there's no third party claims to title. We don't have dry conditions requiring high levels of irrigation, and we don't have long transmission lines to existing infrastructure systems. Now the project is really surrounded by urban uses on all sides and is essentially an infill project with a lot of infrastructure facilities nearby.

The last, I just wanted to recap the master plan that you have in front of you. We have three distinct neighborhoods in Pulelehua. One on the north side, you see there above Kahana Ridge,

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one central neighborhood off Akahahele Street, and one to the south there just past the purple school site. Now within the project you see in red a seven-acre sort of core district now have mixed uses, including some residential and retail off Akahahele Street. Now we have 166 acres of residential, you'll see in yellow, and in blue you see a 13-acre, the 13-acre school site, and in green over 124 acres or 40 percent of the project remains in open space. That concludes my update but I wanted to first read off what affordable housing guidelines are for HUD, HUD today, you know, from the current tables since there were some questions on that earlier. This is the point Charlie brought up. Let's see, for a two-bedroom house the affordable housing pricing for 80 percent of the median income up to 160 percent ranges from 232,000 to 412,000. And so that gives you the bracket for a two-bedroom house going from 80 to 160. And a three-bedroom is 272,000 to 485 on the top end in affordable range. And so, and that's at 6 ½ percent interest rate, so I just wanted to point that out since there were some questions on that of what's the range of what the housing that will be provided. I have no other comments at this time and available for questions.

CHAIR MOLINA: Okay. Thank you, Mr. Churchill. First of all, thank you very much for that informative status update with regard to the Cumulative Impact Analysis Report as well as the Traffic Impact Analysis Report. We know it's very difficult to gauge when the State will be able to give a final determination on that. My issue here for today is like many folks we were alarmed with the over 200 employees that were laid off. And this project has been represented to this Committee as something for employees, workforce housing. In your comments you mentioned that this project or the layoffs will not impact this proposal. And you mentioned that you're looking at your employment base growing in the future. Can you give us a little bit more clarity, what areas you see within Maui Land & Pine's division, the areas of employment growing, and I would presume the rehiring of more employees?

MR. CHURCHILL: That's primarily in the resort division and, you know, we have our large Kapalua Bay project underway. And when that's completed there will be approximately 175 new employees needed to manage that, that property which will be run pretty much like a hotel there. And so that will occur some time next year is the plan for that project.

CHAIR MOLINA: And in terms of your field workers, field operations?

MR. CHURCHILL: We don't see much significant increase in employment on the, on the ag side right now. Our Kapalua Farms division, you know, is, is one division that's been growing. That's our diversified organic farm, and so that's increased over the past couple years and will probably increase slightly but nothing significant as what we'd see in the resort.

CHAIR MOLINA: Okay. If in the future this project is approved then you will, these homes will be offered to employees who were laid off because of the Kapalua Bay Hotel breakdown as well as Ritz-Carlton employees?

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MR. CHURCHILL: It will be offered to, to everyone, and so one of our goals was the project was employees would have preference, but there's more affordable units than we have employees that are interested in the project.

CHAIR MOLINA: Okay. Thank you. Members, the floor is now open for questions for Mr. Churchill. I'll recognize Member Johnson as the area representative.. We'll recognize you first for questioning. Proceed.

COUNCILMEMBER JOHNSON: Yes, thank, thank you so much, Ryan, for the update. And I know that everyone is really concerned for the employees, because, you know, it's very hard these days to even, for your employees that continue with reduced work hours or the expense of fuel and food prices and housing and everything's going up. So I, I really am concerned. One of the things that I would like to find out, because having, you know, and I've asked not of you, but in another forum I had asked about the hotel workers, and 'cause I think there was a point where when the hotel was going to close for the renovations and everything, I had asked this of one of the key personnel and I was given an answer. And I just want to understand further if I totally misunderstood what the person was saying. But that at the time when I asked what would happen to the person's health insurance and all of the other things when there was this furlough, if you will, and the person's response to me was they're not really direct employees of ours, they work for Starwood or whoever it is. So can you kind of, you know, elaborate on what the relationship is? Because, you know, my understanding was that while, when you look at employees these are the employees that are direct employees of yours, not employed by Starwood and then somebody else's responsibility. So could you enlighten us?

MR. CHURCHILL: Yeah. No, a good question, it does get confusing at times. The employees when the Ritz-Carlton Hotel was closed for the renovation last year, all those employees are employees of Ritz-Carlton. And Ritz-Carlton employs them and employs them directly and their paycheck comes from Ritz-Carlton, and they're the management, Ritz-Carlton's our management company managing the hotel there. And so, yes that's, they're not employees of Kapalua Land Company or Maui Land & Pineapple Company. So you're correct in that, and yeah the procedure with that group of employees during the furlough or when the hotel was in the renovation was their, their benefits were continued and they had the option to come back at the end of the renovation. And to our surprise, 91 percent of the employees that were furloughed came back to work and came back into their old jobs or new jobs.

COUNCILMEMBER JOHNSON: Okay. Now when you give us the numbers for your employees, these numbers are not then included in those numbers? Is that correct?

MR. CHURCHILL: Correct.

COUNCILMEMBER JOHNSON: Okay.

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MR. CHURCHILL: And when we, you know, you read in the press the layoffs by Maui Land & Pineapple Company that does not impact, or does not include, you know, Ritz-Carlton employees.

COUNCILMEMBER JOHNSON: Okay. So with regard to I guess labor, you know, because sometimes the corporate veil is difficult to pierce. And so from my perspective I look at, you know, you have your different profit centers and your segments, kind of similar to what Amfac had done and, you know, looking at different operations from within your resort. Now what I'm looking at is with regard to I guess the wages that are paid, you know, to people to be able to get into these kinds of homes. How, you know, how is the relationship and how is the . . . *(end of tape, start side 2A)*. . . going to work, particularly if hours are cut off and you know how tight it is for financing right now. Even if this were built tomorrow, how many people realistically are going to be able to safely say, look I'm going to buy a home and have a job and be able to pay the mortgage? 'Cause there's a lot of people that are in that boat right now that, you know, they're sort of sorry that they invested and of course with the housing market headed downward. So can you comment on how...

MR. CHURCHILL: I, I think, and I think that's a great question considering the market. One thing I have to remember with Pulelehua is, you know, we're here for a request for zoning. And once zoning is done, it's going to take many years to get the projected started. So I think the economic situations we see today will hopefully change. And so, but I think you're right, the capital markets or the mortgage markets are in bad shape, it's difficult to get loans, they're more strict on loans. And I think there's, with the way the economy is going, I think employees, you know, from management down to labor have concern about hours reduction or, or possible layoffs. So, you know, I think the housing market is not in a good situation right now because of those situations. But we have to remember for this project it's a longer-term project and it's going to take many years to get it started, and hopefully the economic situations are different, you know, a few years from now.

COUNCILMEMBER JOHNSON: Yeah. And I, and I think that, you know, when we're looking at things and representations are always, you know, nothing more than projections because no one has a crystal ball. What my biggest concern is, is that when mortgage companies and lenders look at what has been the trend for your particular island or your particular community when they go out to loan money. Is it the trend has been that people in jobs that are either tied to resort development, construction or other things are very cyclical and it's a very iffy market? What will happen then to those homes if you're unable to, assuming this project gets through, what will happen to those homes if you or your employees that would be benefiting from this and keeping everybody on the West side, can you make a guess as to what will transpire if those kinds of situations still persist? Who would those homes go to then?

MR. CHURCHILL: Well, example of how we see it occurring is as I think it was Mr. Mayer mentioned, is we see a trust being set up to manage this entire, all the affordable homes in this property. And the resell restrictions I believe in the Housing Policy is 25 year, 25 or 30 years, and if someone owns a house and for some reason they default on the house, the house reverts back to the trust.

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And the trust would go and then resell the house at affordable rates, and depending on the bank and the mortgage I assume the income coming in from reselling the house to someone else would then go down to, to pay down the, the mortgage that remains on the house from the prior individual who may have defaulted. So that's how we, we see it occurring and going forward on Pulelehua.

COUNCILMEMBER JOHNSON: Yeah. And, and the reason I'm asking this is because the other day, even with our Affordable Housing Policy in place, it was mentioned that one of the developments that I guess qualified or was done, which involved refurbishing of a complex of, you know, homes. That, that has already, you know, because there were not enough qualified buyers I guess within the income bracket of those individuals, they've gone straight to market price homes now. And so what you're looking at though, do you see something similar looming if we really have a meltdown?

MR. CHURCHILL: Well, I think if, if, you know, say we came out to market today with 500 affordable homes in West Maui, I don't think, you know, there's demand today for that, and I don't think you would be able to sell them all. And I think that's what that other situation you may be seeing. And so, but again I think economic situations will hopefully change in a few years from now. But I think, I'm not clear exactly in 2.96 what it requires, but I think, you know, you start at one tier then it's like 120 days you got to go to the next tier and on and on, and eventually you get to market. I think on the issue today and one of the problems with the Workforce Housing Bill, it's kind of a double-edged sword on that 25- or 30-year restriction is the mortgage companies hate it. And so mortgage companies are looking at it and saying well I'm going to loan on this, but there's no upside or no equity gain over time because it's restricted at 3 percent growth or CPI in value. And so they have concerns with that and that does impact the mortgage-ability of affordable houses, 'cause they see that restriction, that restriction runs with the land. And so that's an issue I think on the, on the mortgage side, and like I said, it's kind of a double-edged sword with that requirement.

COUNCILMEMBER JOHNSON: Yeah. And, and that was the information that I received from, you know, a group of people that are really knowledgeable in that area. Mr. Chair, to give other people an opportunity I just relinquish.

CHAIR MOLINA: Okay. Thank you, Member Johnson. Member Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair. Thank you, Mr. Churchill, for being here this afternoon. It seems like we get all involved in these things and then they go off the radar screen, and now it's back, and, you know, we have to recollect all of the information that we had previously. So thank you very much for coming back to give us an update. I want to get to the heart of the matter. You know, several of the testifiers mentioned the proximity to the airport and concerns about having a school nearby. And, well, if you're going to be concerned about a school, I guess you want to be concerned about everybody because we not only are concerned about the safety of our children, but what about all the people that are going to live there? Could you please give us some information I know that you must have about this issue?

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MR. CHURCHILL: Yeah. We're, we're not concerned with the safety. We've met with FAA, we've met with DOT. I think it's important to note the traffic at the airport, the airport's a very restrictive airport. Right now there's about a dozen flights a day, there's no jets, airplanes are restricted in size, there's no night flights, there's no overnight parking of aircraft, there's no aircraft maintenance. It's just a very seldom used airport and, you know, we don't see a concern with the safety issue. The school, you know, has been located furthest makai on the plan because of comments brought up by others. But, you know, you know, we don't see it as an issue. I think we'd be more concerned, there will be more accidents of people driving to school than because of airplanes falling out of the sky.

COUNCILMEMBER BAISA: Thank you very much for that answer. I think it's really important that we have the straight scoop. Thank you.

CHAIR MOLINA: Thank you, Member Baisa. Member Medeiros?

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. And thank you, Mr. Churchill, for being here and for your testimony. I wanted to ask you and, you know, my handout doesn't have page numbers so I'll give you a heading, Pulelehua will... okay. And on the elementary school site, the 13 acres, it says provide a 13-acre elementary school site plus 2.4 million. Now the 2.4 million will go to the DOE?

MR. CHURCHILL: Correct. It will go towards the construction of the school.

COUNCILMEMBER MEDEIROS: And so the DOE will construct this school?

MR. CHURCHILL: I'm not sure who exactly will build it but DOE will manage and, and build the school. But the actual construction could be done as a public/private corporation agreement or it could be done all by DOE through DAGS.

COUNCILMEMBER MEDEIROS: Okay. And, and the DOE has made a commitment to build the school?

MR. CHURCHILL: Yes. I mean it's up there in the priority, and they've already allocated design monies towards it and have already started design. And so it's, you know, well in the process. You know, the full amount hasn't been approved and so that comes after the design and at the appropriate time.

COUNCILMEMBER MEDEIROS: I see. And then on the following page, affordable housing, you did give us a breakdown of the affordable housing units, and I think I heard you say 40 percent rental?

MR. CHURCHILL: Fourteen percent.

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COUNCILMEMBER MEDEIROS: Fourteen percent rental.

MR. CHURCHILL: Sorry.

COUNCILMEMBER MEDEIROS: And what about the for-sale affordable units?

MR. CHURCHILL: It'll be 40 percent of it will be for sale.

COUNCILMEMBER MEDEIROS: Okay. Okay. Thank, thank you for the information you've presented this afternoon.

MR. CHURCHILL: Thank you.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman.

CHAIR MOLINA: Thank you, Member Medeiros. Member Pontanilla?

VICE-CHAIR PONTANILLA: Thank you. Thank you, Mr. Churchill, for being here. You know, earlier I asked this question to one of the testifiers regarding the airport. I don't know your, your conversation with the Department of Transportation had included the possibility of relocating that airport somewhere else. And for me, you know, when I look at the, one of your maps here, it shows this big parcel of Department of Hawaiian Home Lands that may develop in the particular area. And of course it's going to be an issue again if that airport is not moved. So have you had any conversation regarding that airport being moved somewhere else?

MR. CHURCHILL: No, we haven't had that, that discussion with DOT in relocating that in West Maui. You know, I think with the, you know, the small number of flights there and into it, I don't think they, they'd seriously consider moving it, to be honest with you. I mean it's a pretty infrequently-used airport and it's not as critical to their whole system. And so I think, you know, we could have discussions with them but I think the cost to relocate would be too expensive.

VICE-CHAIR PONTANILLA: Thank you. And, Chairman, when you do bring up this subject again, if you could have somebody from the Department of Transportation, not now, in regards to the airport itself so that we get, you know, answers that, I think we're not all clear regarding, you know, the airport and its proximity to all of these proposed developments yeah. Thank you.

CHAIR MOLINA: Okay. Thank you, Mr. Pontanilla. And rest assured we will make sure before this project is considered for decision-making, we will get that answers from the DOT first. The Chair would like to just ask one follow-up question. I don't know if you're able to answer it, Mr. Churchill, but, you know, of course with the economy the way it is right now and the economic forecast not looking too rosy in the near future, although we saw something in the paper from the State saying that brighter days are ahead. I don't know, I'm, I don't want to say I disagree but I'm, I'm trying to take a worse-case scenario look at this. Looking at what Pulelehua will contribute and I realize this is over the long term, 2.4 million for the, well

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elementary school site plus 2.4 million, contribute 300 to \$400 million in capital investment. And factoring this in with the layoffs, I'm just kind of curious as to the company's standing. I know we don't have any crystal balls with us but can you give us your outlook? Because this is, it would seem this is a lot of money that's being invested by this company, and I'm just concerned that, you know, with the way the economy is, would Maui Land & Pine, you know, shut down? And I know it would have severe impact on this community if that is the case. So I'd just like to get your comments on, if you're able to reveal any type of information that is not considered confidential with the company standing as it ties into this.

MR. CHURCHILL: Again, you know, this is a long-term project and, you know, the earliest it's, it's two to three years after zoning is completed of when we get started. And so we're going through the process now and as I mentioned before, hopefully economic conditions will be better, you know, a couple years from now and, and have turned around. Regarding the layoffs, you know, majority of those layoffs and the layoffs that have occurred with the company over the past few years have been in the agriculture segment which has really suffered from the higher energy cost and increased competition on pineapple in the west coast. And so, you know, that's the, I think division that's been impacted the most, and because of all the economic conditions going on that have impacted not only ag, now the resort business and the real estate sales business, the cuts were made to make sure the company stays strong and can survive this downturn and, you know, come back when things are, are more prosperous on the economic side. And so I think we're a healthier company because of it. It's unfortunate but I think we have to make these changes to get through the short term here and be around for the long term. You know, we've been in business as a corporation over 100 years on the island, and we don't plan to go anywhere and, you know, expect to keep going and hopefully move forward with this project in two to three years from now.

CHAIR MOLINA: So the company's strength or focus will be on the resort division. I guess that, you know, looking at it down the road, looking at agriculture possibly phasing out or being downsized significantly?

MR. CHURCHILL: Well there is, I mean agriculture is being downsized significantly, and that's been occurring over the last couple years and is, you know, occurring more this year. And we hope to get into new lines of business on the more boutique farm and diversified agriculture that we're doing out with Kapalua Farms. And so, yes that is the trend is growth on the resort side and shrinking on the agriculture side for the time being.

CHAIR MOLINA: Okay.

MR. CHURCHILL: And we hope there's, you know, some great opportunities up there for, you know, new crops that maybe come in. We're analyzing all sorts of things on a large scale, different biofuels and other crops that can be grown on our West Maui lands. The challenge is, you know, large-scale agriculture, very difficult, very costly and, you know, doesn't make much money and loses lots of money. And so it's really looking at what's the alternative to replace that and that's going to take some time.

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CHAIR MOLINA: Well I'm glad you're looking in that direction of looking at some fuel alternatives crop-wise. And I would hope that if this project, again and I stress a big if in the future if it is approved that the homes can get up soon. Because of, you know, the last project that was approved by this Council for Maui Land & Pine nothing has been built yet. So I'm sure there's a lot of folks that would like to have the homes if this project is approved in a somewhat timely manner. So just a comment from the Chair. I'll entertain a question from Member Baisa and then, Members, we're going to take a short recess. Member Baisa?

COUNCILMEMBER BAISA: Just a quick question but I think an important one. I'd like to follow up on what the Chair's question was, but from a little different perspective. Because of the financial challenges that your company is facing at the moment, how critical is the approval of Pulelehua to your financial viability? If you can answer that.

MR. CHURCHILL: You mean to strengthening the financial viability of the company?

COUNCILMEMBER BAISA: Yes. Yes.

MR. CHURCHILL: I don't think it's critical. I think what's critical is to get the approval so we can start with the rest of the process. I think as, as the Chairman mentioned, the prior project that was approved, Kapalua Mauka was approved in, I think it was January or February, 2006. We've been running full speed ahead on that and in for subdivision applications, been through the Planning Commission for Project District Phase II, then to the Administration for Project District Phase III. It's a, it's a long process and so, you know, what we see, you know, with Pulelehua is helping attract quality workforce for West Maui and for our resort employees. And, you know, want to get the process rolling and start moving along on design and engineering of the project to get, get through that so in a few years we have the housing coming online.

COUNCILMEMBER BAISA: I think what I'm understanding is that you have a plan for sustainability and viability of the company, and this is an integral piece of that because of the housing piece.

MR. CHURCHILL: Yes, its always been, been integral and tied in with what we're, you know, doing in the resort. And, you know, we can't have people coming to work who have been on the road hour and fifteen minutes and show up and are, are, you know, asked to pour a cup of coffee and they're grumpy and crabby and, you know, just spent \$15 in gas just getting there. And so I think this is integral to the long term solutions to getting a quality workforce in West Maui.

COUNCILMEMBER BAISA: Thank you very much.

CHAIR MOLINA: Okay. Thank you, Member Baisa. Members, we're going to take a recess, and when we come back we'll entertain more questions for Mr. Churchill from Maui Land & Pine. So, Members, the Land Use Committee meeting will stand in recess until 3:05. . . .(gavel). . .

**RECESS: 2:50 p.m.**

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**RECONVENE: 3:08 p.m.**

**CHAIR MOLINA:** . . .*(gavel)*. . . The Land Use Committee meeting for August 20, 2008 is now back in session. Thank you very much for that break, Members. It is eight minutes after the hour of 3:00. The Chair's been informed that we will lose at least one Member by 4:00 which would mean quorum will be broken and we cannot resume after that time. So with that being said we will continue, but first I've been asked to pass this along to you. The Little League, something on the lighter side, the Little League team from Waipio is currently leading a very powerful Washington Little League team by the score of four to three after three innings. They win this game they go on to playing the finals of the Little League World Series from what I understand. So anyway, all right back to business here. I believe Member Johnson had her hand up to ask Mr. Churchill some questions. Member Johnson?

**COUNCILMEMBER JOHNSON:** Yes. I just had a couple of short follow-ups. Could you tell me, Ryan, when it was that you submitted the TIAR to the Department of Transportation?

**MR. CHURCHILL:** The TIAR is, it's completed but hasn't been formally submitted because we're waiting for the Director's signature --

**COUNCILMEMBER JOHNSON:** Oh, okay.

**MR. CHURCHILL:** --on the document.

**COUNCILMEMBER JOHNSON:** Okay. So...

**MR. CHURCHILL:** Once he signs it, the document is considered submitted.

**COUNCILMEMBER JOHNSON:** All right. I just wanted to know. So it's not yet submitted?

**MR. CHURCHILL:** Yeah. So they don't, they don't, haven't started reviewing it.

**COUNCILMEMBER JOHNSON:** Okay. And then, what period of time does it usually take? Any period of time? Your guess is as good as mine, I guess that's the comment.

**MR. CHURCHILL:** Yeah. I mean we'll follow up with them and follow up again and hopefully, you know, get some comments in a couple months.

**COUNCILMEMBER JOHNSON:** Okay. And I'm going to, you know, because I don't want to take up a lot of time and we're not making decisions. But I, at some point in time, you know, maybe at one of our future meetings if you could provide us with some of these things. One of the things that I look at is when I look at any Environmental Impact Statement, because their projections, their just projections, that's all they really that are contained within the documents. But when are the economic multipliers that's used in order to come up with the figures that you have in your

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PowerPoint, the 300 to \$400 million worth of capital investment. It's basically from my reading of a lot of similar documents and these is that there's certain assumptions that are made about where you're going to get your products, you know, such as for construction of the homes, where you're going to get your labor force, where you're going to get supplies and whatnot. And I know that on other projects which while they're not maybe directly Maui Land & Pine projects, they're projects that have been undertaken by your parent company. What I would look at is what assurance do we have that these are realistic figures given that I think it was when even the Ritz-Carlton was redone, it was done with largely imported labor, imported materials. The multiplier effect that would've ordinarily circulated within the community and the State, it just wasn't there. So how, how do you approach that?

MR. CHURCHILL: Yeah. Well, the number thrown out here is direct capital investments, so that's more construction cost. And so that's easy, that doesn't have any multipliers in it and that's an easier number to come up. You're right, when you start getting into the total economic benefit of the project over the life of the project, you know, you'll see that in the EIS and that's where you have the different multipliers rippling through the economy. So this number is more direct construction cost.

COUNCILMEMBER JOHNSON: Okay. And, and even in that regard though from construction perspective, we're seeing IntraWest, you know, uses Ledcor, you've used, you know, off-island construction companies. In fact I think one of the gentlemen that was renting near us, he was from Canada. So I'm looking at jobs for local people so that they'll be able to afford to actually live in these developments. Is there something that we can place as a condition? I know we've tried it before and we got shot down by the very unions who we were trying to help to encourage. Look you want to make these projections, we need to have security that these jobs are going to go to local labor and not go flying off to Canada or parts unknown.

MR. CHURCHILL: That, I think, you know, if you go back a couple years the construction industry was in a completely different world where there wasn't enough labor. And so that's changed dramatically now and so I think you'll see those changes going on. As long as there's adequate labor, our priority is to use the local labor pool for, for jobs. Now a few years ago there was not enough adequate labor, and so I think the, the Canadian developer is PCL and PCL is our contractor on the Kapalua Bay job, and they've, have merged with a local company here and partnered with a local company. But on some of those big jobs, they're actually bigger than any local contractor can handle, and so on some of those is why we've brought in PCL on some of those big jobs. But if you go through all their subcontractors, most of those are all local workers on those.

COUNCILMEMBER JOHNSON: Yeah. And, and I guess that's why when I look at 300 to \$400 million if you could give us some, just based on other kinds of projects, with the big work, you know, the heavy steel and, you know, all the cranes.

MR. CHURCHILL: Yeah.

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COUNCILMEMBER JOHNSON: You know, if, if you can look at what realistically is going to be local and what would be from outside, work that is not able to be done. I think then that way it gives us a better picture of the dollars that will circulate within our economy.

MR. CHURCHILL: Yeah. And we could look at that and discuss that with you. On projects like this, how this is built where it's all low rise, probably wood framing, that's primarily local. It's when, I think, you know, you're talking about the more specialty jobs where you have a lot of steel and specialized concrete where you're bringing people primarily from Honolulu to come over to do a lot of that.

COUNCILMEMBER JOHNSON: Okay. One other matter, I know that basically everything that we look at we base on representations. And sometimes things that are out of your control, you, with all best intentions you put down that you're going to do X, Y, Z, and maybe it doesn't happen. But I want to find out on projects that we've looked at in the past, Kapalua Mauka I know we were promised 150 units that we'd be delivered immediately to relieve employee housing, overcrowding, that type of thing. I know Maui Prep Academy was not specifically your project but because it is, you know, on your property or what was once your property and the area that abuts the highway, we were supposed to have traffic impact improvements made based on the security of the children. If you could update me on where those kinds of things are because, and if you can't on the school site, fine. But at least where do you stand on the other thing for Kapalua Mauka with regard to affordables?

MR. CHURCHILL: Yeah. We could, we could sit down and update you on that. I don't recall the 150 immediate as part of Kapalua Mauka. And so I think, you know, it, it, you know, we can look into that and see what promises, or you can let me know what promises were made and we could answer any of those questions. And I believe the MPA traffic issue was related to when enrollment hit a certain number there, and then the school will be participating along, probably with us, in the deceleration lane there, I think is what you're referencing with that project.

COUNCILMEMBER JOHNSON: Yeah, it is. And I just wondered because other things have been added in. I guess the Zipline people come through there and, you know, there's been an increase, maybe not in the numbers of, I guess there's two additional classrooms that have been built. So I can't recall what that threshold is, but I would really appreciate an update on that. Because I think it goes right to the heart of when a commitment is made or a condition is imposed the public wants to have a realistic expectation of when that would be completed. So that at least in future approvals or looking at other things we have an assurance that that is going to be completed.

MR. CHURCHILL: Yeah. We could, we could look at that and update you. And when we make the commitment we get it done, and I don't know of us being behind on any of them, so.

COUNCILMEMBER JOHNSON: I'm, I'm not sure but I'm just asking you that, so.

MR. CHURCHILL: Okay.

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COUNCILMEMBER JOHNSON: The other issue that I had was in regard to the regional park over which Pulelehua would I guess rest. It would be, you know, right over the park space that was designated. I received information because I never knew the, I guess the, I guess the way in which that park came, the regional park came. I just thought it was part of the community planning process. And I was informed and, you know, if you could give me additional information. But I was informed that that particular park was sited there because of the plans for your Project District up at Kapalua, and that the reason for it, the donation or the siting of that was that you were going to use that as part of your park dedication by either negotiating or donating that land to the community for the regional park. But now because you're building over the top of it, you know, what are you plans then?

MR. CHURCHILL: I don't recall any connection to Kapalua Mauka, so, you know...

COUNCILMEMBER JOHNSON: It wasn't in this most recent thing, it was on the original approval long before you ever came on board. So if you could do some research on that?

MR. CHURCHILL: Yeah. We could do some, some research on that.

COUNCILMEMBER JOHNSON: Because I believe someone had said they actually had minutes where that was represented. So, you know, I'll, I'll provide the documentation next time. And are you talking with the Parks Department about relocation of any kind of a regional park in that area?

MR. CHURCHILL: Yeah. I think the preferred location is the one where it's located on the draft island map for the General Plan update. And I think that's...

COUNCILMEMBER JOHNSON: Above the airport?

MR. CHURCHILL: No. To the north of, the north of Kahana Ridge. And so...

COUNCILMEMBER JOHNSON: But that's mauka.

MR. CHURCHILL: Mauka of the highway. And mauka of the highway, just mauka of the highway, right pass that McDonald's.

COUNCILMEMBER JOHNSON: And that's not land that you own?

MR. CHURCHILL: It is land we own.

COUNCILMEMBER JOHNSON: It is land that you own?

MR. CHURCHILL: Yeah.

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COUNCILMEMBER JOHNSON: And would there be any additional expense, like pumping water or any development cost associated with that, because it's more removed from infrastructure?

MR. CHURCHILL: I'm not sure of that. I mean the waterlines are running right through there so I don't think there's a water issue.

COUNCILMEMBER JOHNSON: Okay. I, I just don't know what, you know, what the pumping costs would be. And one final question would be in regard to I believe it's the, the airport, you know, the location of the airport in proximity to the Department of Education. Has the Department of Education in other areas throughout the State done any analysis on schools that are located in close proximity to airports? Do they have any history or any kind of background on which they're basing their support for where the school would be located?

MR. CHURCHILL: I think, you know, recalling discussions with them, I think, you know, Ewa was an issue. You're coming in to the, the main, two main runways at Honolulu, and so I think they've, you know, had experience there. And, but I don't know of where they've done studies of the impacts, so I'm not, not clear on that and that'd have to be a question for them.

COUNCILMEMBER JOHNSON: Yeah. And, and given their current fiscal difficulties, do you think it's realistic that they're going to have millions to construct or implement what they've planned?

MR. CHURCHILL: Not next year. But, you know, again this is a long-term project, and in a few years, you know, hopefully it's in their planning process, and the dollars, you know, are coming out to, to build the school.

COUNCILMEMBER JOHNSON: Okay. Thanks very much and thank you, Mr. Chair, for the extended time.

CHAIR MOLINA: Thank you, Member Johnson. Member Pontanilla?

VICE-CHAIR PONTANILLA: Thank you. I think Member Johnson asked a good question regarding Kapalua Mauka and the affordable housing that were conditioned. If we can have an update on that I think it would help all of us here. The other question I had is that I know you have had families come to you regarding this Pulelehua project and the affordable housing area. And do you provide any financial type of training or, you know, just trying to get the family set financially . . .(end of tape, start side 2B). . . they be able to qualify for a home?

MR. CHURCHILL: Yes, good question. We've been working for a couple years now, maybe three years on doing first-time homebuyer education and working with the group. And I think, you know, she came and testified at our last hearing in March. But, you know, we've made strong commitments and are funding those programs to help educate employees. I give the, the example of our last affordable housing project in Kapua Village where my own assistant was in the queue, had, had a lot, was all set, \$80,000, a great deal. And it came down to it, had a mortgage difficulty because of past history and didn't qualify and a couple months later she was

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off to Vegas, and a lifelong resident of West Maui. And so once we saw that, it became clear we need to provide more education to our employees and other individuals in the community that it's open to everyone to come, and they run their credit scores, look at the history of their credit, and start educating them on saving for their, the down payment. And that's a critical part I think of the whole affordable housing issue on Maui is getting the education out there and preparing people for home ownership or at least those that want to own a home. And so we have a big commitment to that and continue the programs this year, even though, you know, the project is not zoned. Some people it's a couple year process to get organized with their financials and credit.

VICE-CHAIR PONTANILLA: Thank you. Thank you for that response. And, you know, for, you know, young families especially, you know, trying to qualify for a home, you know, although there's units out there, you know, it's difficult when they're not ready. So I, I thank you guys for doing that. Chairman, I guess that's all the questions that I had, and the more detailed questions would be for the Department in regards to our infrastructure that can, you know, how can we support this project or do we have infrastructure to support this project. Thank you.

CHAIR MOLINA: Okay. Thank you, Member Pontanilla. Committee Members --

MR. CHURCHILL: Mr. Chair?

CHAIR MOLINA: --any other questions for Mr. Churchill? Mr. Churchill?

MR. CHURCHILL: I'd just like to comment on an update on Kapalua Mauka since it was asked. In addition to Pulelehua we have two projects, one project called Pailolo Views just on the edge of the resort where the Bay Course driving range is. And we've been going through the process for that. We're in for building permit on 42 employee housing rental units there and went through the SMA process. It got challenged by the neighbors, went through that whole mediation process and finally got SMA approvals and we're in for a building permit on that project and that's going through the process. And then a second project called West Maui Village near MPA and our Honolua baseyard is about 150 units of which 90 are affordable units in there. And that's also in for building permit and has been in for about a year now. And we're working through all the comments and questions on that project and, you know, have gone out and have a contractor onboard and, and, you know, are getting through the permit process and all that. So we have a couple other projects that are much further along than Pulelehua in providing affordable housing for West Maui and meeting our requirements and commitments for Kapalua Mauka.

CHAIR MOLINA: Okay.

VICE-CHAIR PONTANILLA: Thank you.

CHAIR MOLINA: All right. Thank you, Mr. Pontanilla. Any other questions? One, one quick question for you, Mr. Churchill. We've talked about the, the need for Pulelehua and for it to get

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approved. What would happen if down the road it doesn't get approved? How will this, at least from your standpoint, how will this affect Maui Land & Pines' viability?

MR. CHURCHILL: Well, I think long term, I think it's, will be a big impact to the workforce in West Maui. I think housing's needed. I think, you know, a project like this is critical to getting people closer to their workplace. Now, and you could, you know, maybe another project will come up and be built but, you know, we don't think anyone's coming up anytime soon, and we think the design of this project is great and is perfect for West Maui.

CHAIR MOLINA: So this is not something where if it's shot down, Maui Land & Pine, dare I say it, go under?

MR. CHURCHILL: No.

CHAIR MOLINA: Okay. All right. Just wanted to make that, get, get your comments on that. Any other questions, Members, before the Chair moves on? Mr. Pontanilla?

VICE-CHAIR PONTANILLA: Thank you, Chairman. Just a comment or, you know, something that we may think about. When we do meet again in regards to this particular project, you know, not only the airports people, I would like to request that the Department of Transportation provide us with their project proposals for West Maui in regards to infrastructure, especially traffic, timetables. I think timetables is very important.

CHAIR MOLINA: Okay.

VICE-CHAIR PONTANILLA: Thank you.

CHAIR MOLINA: Committee will make note of that and when we do have the next meeting on this we hope to have a response for you there. Member Johnson?

COUNCILMEMBER JOHNSON: I just, in response to Member Pontanilla's comment, you know, about timetables. It's just, you know, look at the problems that we have had implementing the bypass and just getting up Keawe Street. I think the best laid plans, whether it's from a developer, even if it's part of Department of Transportation, it's nothing more than a projection. Because now we've encountered archeological sites that prevent us from moving forward even with the first phase of the bypass. So I think we can try and pigeonhole the Department of Transportation but much like Mr. Churchill's found, sometimes, you know, they have their own time schedule. And, you know, I just, I've grown very weary of accepting timetables where it comes with major agencies with major dependence on other entities such as the Federal government and, you know, departmental comments. It's very difficult. So I wouldn't hold my breath for a definitive answer.

CHAIR MOLINA: Thank you, Member Johnson. Mr. Pontanilla?

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VICE-CHAIR PONTANILLA: Thank you. And I take Ms. Johnson's comments highly. And the reason why I ask is that the project that we had approved, the A&B industrial park project that's behind Wal-Mart, the Department of Transportation, because one of my concerns was that if we were to do this project, you know, although it's not, you know, the project that's before us, my concern at that time was the circulation within my district. And what the State had provided us at that meeting was a complete plan in regards to the road improvements that were going to be done during, you know, for, they gave us a timeframe for that improvements. And it provided me, I don't know about the rest of the Members, you know, how the circulation would improve in Kahului. And, you know, with that one particular presentation by the Department of Transportation it gave me a pretty good insight in regards to how people from Upcountry would be bypassing or could bypass Kahului, Central to get to Wailuku, to get to Kihei, to get to Lahaina. And I thought that was very important for me. And for a project like, projects like this on the West side, you know, I would certainly love to have the Department of Transportation at least give us some updates. Thank you.

CHAIR MOLINA: All right. Sound rationale on your part, Mr. Pontanilla. Any more questions for Mr. Churchill before we dismiss him? If not, thank you, Mr. Churchill.

MR. CHURCHILL: Thank you for giving us the time today. Have a good afternoon.

CHAIR MOLINA: Very good. Members, any final questions for the Department? I believe Mr. Pontanilla had a question with regards to the, I guess the Department's analysis of the infrastructure issue whether it could handle a project like this in West Maui. I don't know if the Department's prepared to respond to, an answer to respond to Mr. Pontanilla's question at this point. We could maybe, Mr. Pontanilla, either initiate it through your office or through the Committee, we could get an inquiry or a response from the Planning Department. I don't know if you'd like to restate your question, Mr. Pontanilla?

VICE-CHAIR PONTANILLA: Yeah. More for Environmental Management in regards to the treatment plant and maybe some Public Works stuff.

CHAIR MOLINA: So if you'd like to stay in touch with the Committee Analyst and get your questions through the Committee --

VICE-CHAIR PONTANILLA: Sure.

CHAIR MOLINA: --at a future date when we do have another meeting on this we can hopefully get that addressed for you.

VICE-CHAIR PONTANILLA: Okay.

CHAIR MOLINA: Responded for you, I should say. All righty. Members, any other questions before the Chair basically calls it a day at this point? Seeing none, Members, well we will go ahead and defer Land Use Item 65, the Community Plan Amendment, Change in Zoning, and Project

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District Phase I approval for the Pulelehua project over in Lahaina. The Chair would like to thank all of you Members here for making to our session here today. We've had the rest of our Members dropping like flies due to health reasons, and I know Member Mateo has had his hands full with the matters over on Molokai. So the Chair very much appreciates you all being here, and please take care of your health. I know at least a couple of our Members have had some health issues. Above all else, health is number one. So even your Chair, I've got a doctor's appointment, got to have some tests run and all of the things that come with age, Members. Anyway, it is 3:30 p.m. here on August 20, 2008. If no objections, we will defer Land Use Item 65.

**COUNCIL MEMBERS:** No objections.

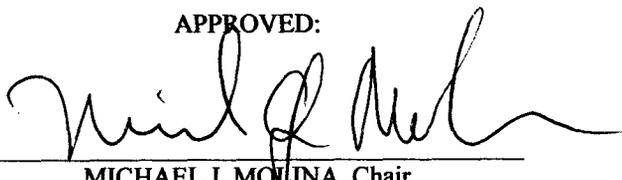
**COUNCIL MEMBERS VOICED NO OBJECTIONS** (excused: MA, RH, DM, MV).

**ACTION: DEFER pending further discussion.**

**CHAIR MOLINA:** All right. Thank you very much, Members. The Chair would like to thank the Planning Department as well as the Administration and Staff for participating with our Land Use meeting for today. So with no other announcements, this meeting for August 20, 2008 Land Use Committee is now adjourned. . . .(gavel). . .

**ADJOURN:** 3:31 p.m.

APPROVED:



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MICHAEL J. MOLINA, Chair  
Land Use Committee

lu:min:080820

Transcribed by: Daniel Schoenbeck

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**CERTIFICATE**

I, Daniel Schoenbeck, hereby certify that the foregoing represents to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 2nd day of September, 2008, in Pukalani, Hawaii

A handwritten signature in cursive script, reading "Daniel Schoenbeck", is written over a horizontal line.

Daniel Schoenbeck