

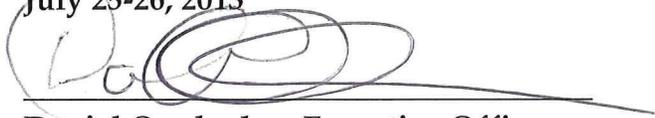
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**DOCKET NO. A10-787
MAUI R&T PARTNERS,
LLC**

**PETITION FOR DISTRICT
BOUNDARY
AMENDMENT**

STAFF REPORT

HEARING
July 25-26, 2013

A handwritten signature in blue ink, appearing to read 'D. Orodener', is written over a horizontal line.

Daniel Orodener, Executive Officer

Submitted: July 19, 2013

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1. BACKGROUND INFORMATION

<i>Petitioner:</i>	Maui R&T Partners, LLC (“Petitioner”).
<i>Petitioner’s Representatives:</i>	Benjamin M. Matsubara, Esq. Curtis T. Tabata, Esq. Steve Perkins, Project Manager.
<i>Reclassification Request/Acreage:</i>	Agricultural to Urban/253.05 acres (“Petition Area”). The Petition Area has been in the Agricultural District since August 23, 1964.
<i>Location/TMKs:</i>	Kihei, Maui, Hawaii. 2-2-24: 16 and 17 and 2-2-02: por. 84.
<i>Landowners:</i>	Petitioner owns TMK: 2-2-24: 16 and 17. Haleakala Ranch Company owns TMK: 2-2-02: por. 84.
<i>State Land Use District:</i>	Agricultural.
<i>Maui Island Plan:</i>	Within Urban Growth Boundary.
<i>Community Plan Designation:</i>	Project District 6, Public/Quasi-Public, and Agriculture.
<i>Zoning:</i>	Agricultural.
<i>Major Permits/ Approvals:</i>	State Land Use District Boundary Amendment, Community Plan Amendment, Change of Zoning, Well Construction and Pump Installation Permit, Grading and Grubbing Permit, Building Permit, NPDES Permit, Section 404 Clean Water Act Approval, Section 401 Clean Water Act, Stream Alteration Permit, Preliminary and Final Subdivision Approval.
<i>Existing Uses:</i>	The Petition Area is currently undeveloped and is used for cattle grazing.

Proposed Uses: Petitioner proposes to develop the Petition Area as part of the Maui Research and Technology Park Master Plan Update ("Project"). The Maui Research Technology Park ("MRTP") was originally established by the reclassification of approximately 150 acres ("First Increment") and the incremental districting of approximately 150 acres ("Second Increment") from the State Land Use Agricultural District to the State Land Use Urban District in Docket No. A84-585/ Maui Economic Development Board, Inc.¹

On February 25, 1986, the Land Use Commission ("Commission") issued an Amended Findings of Fact, Conclusions of Law and Decision and Order ("Amended D&O")² to reflect changes in the boundaries between the First and Second Increments (now identified as the *new* First

¹ On November 20, 2007, Petitioner acquired fee simple interest in a portion of the Petition Area. Petitioner has since taken over the management of the MRTP and development of the Project.

² Under the Amended D&O, the reclassification and incremental districting of the Petition Area was subject to the following conditions:

1. Prior to any construction activity, Petitioner shall cause an archaeological reconnaissance survey of the Property to be conducted by a qualified archaeologist and shall submit copies of the completed survey report to the Historic Sites Office of the State Department of Land and Natural Resources for review and comment.
2. Petitioner shall make roadway and traffic improvements to the Lipoa Street/Piilani Highway intersection at the time it is deemed necessary due to increased traffic flow because of the golf course and research and technology park, as determined in consultation with the State Department of Transportation, with the Petitioner sharing equally in the expense of such improvements with the developer of the golf course.
3. Petitioner shall develop the Property as an industrial park for high technology users. High technology means emerging industries which are technology-intensive, including but not limited to electronics and biotechnology.
4. Petitioner shall develop a secondary irrigation water source which can be utilized for turf and landscape irrigation, in the event the primary water system exceeds established safety levels.

These conditions may be fully or partially released by the Commission as to all or any portion of the Property, upon timely motion and provision of adequate assurance of satisfaction of these conditions by the Petitioner or its developer.

Increment and the *new* Second Increment, respectively) (see attached Petitioner's Exhibit 10, Map 3).³

Under the Petition, Petitioner intends to pursue the reclassification of the Petition Area consisting of the lands that constitute the majority of the new Second Increment as well as an additional approximately 123.843-acre area currently in the State Land Use Agricultural District rather than defer the reclassification pending the substantial completion of offsite and onsite improvements within the new First Increment as ordered by the Amended D&O. Petitioner believes the concurrent development of the uses within the MRTP will create significant synergies that will enhance its absorption and usage without being subject to multi-year delays in obtaining land use entitlements that could occur if development is undertaken in a sequential manner.⁴

Under the Project, the MRTP will encompass approximately 403.082 acres⁵ and will include the current MRTP, which is already developed with five buildings consisting of approximately 180,000 square feet of Class A commercial office space. Approximately 400 people work in the MRTP at over 20 companies. The MRTP is proposed to be divided into five areas: an Employment Core (Area A), Knowledge Industry Expansion/Campus (Area B), Mixed Use/Village Center (Area C), Makai Residential (Area D), and Residential and Knowledge Industry Expansion aka Option Land (Area

³ The new First Increment and new Second Increment were subsequently determined to consist of approximately 150.032 acres and 150.143 acres, respectively. An approximately 20.936-acre parcel, identified as TMK: 2-2-24: 30, that was part of the new Second Increment was subsequently sold to a third party and is no longer part of the MRTP property or the Project. However, it is still subject to the conditions of Docket No. A84-585.

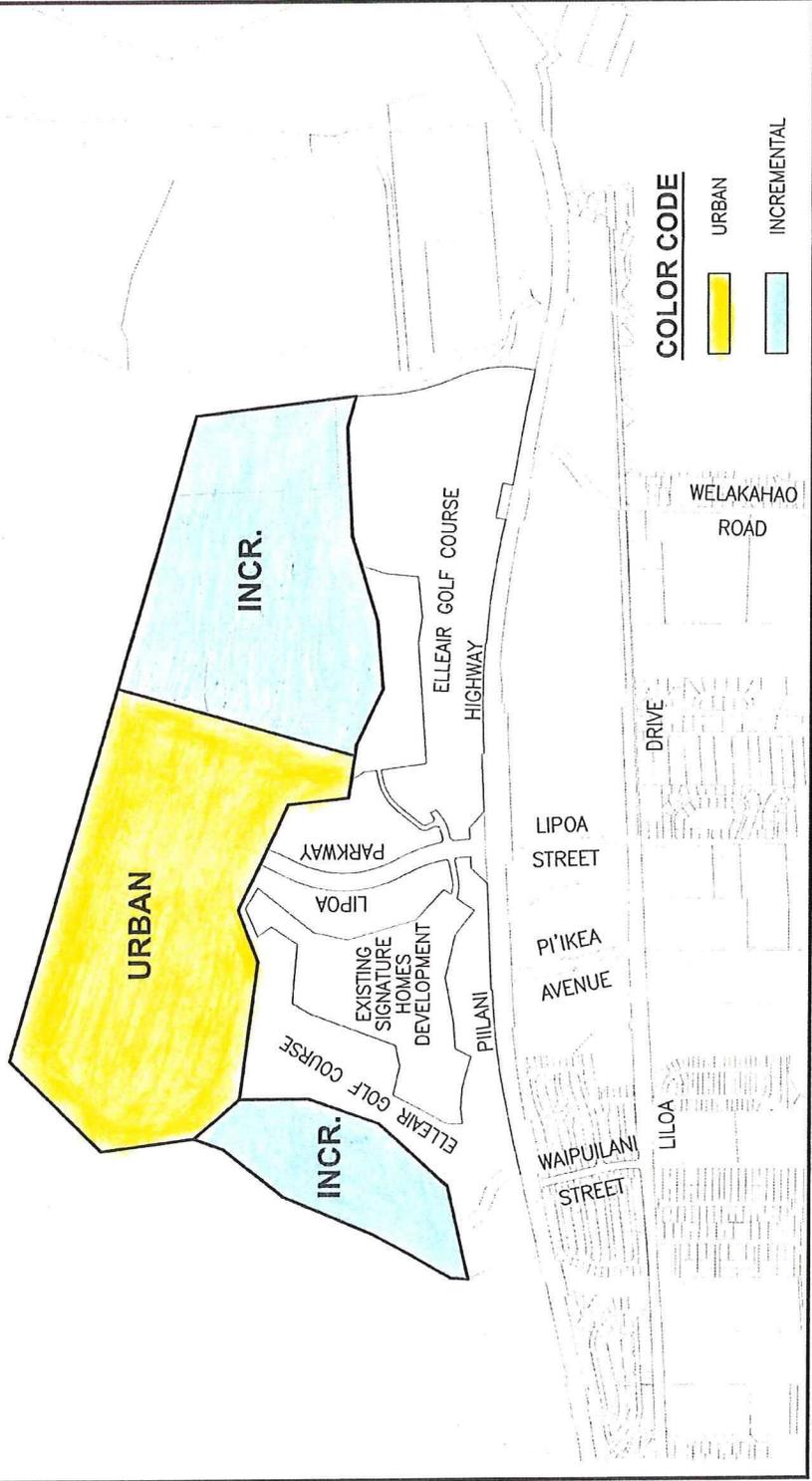
⁴ Petitioner has filed a Motion for Order Amending the Amended Findings of Fact, Conclusions of Law and Decision and Order filed February 25, 1986 ("Motion for Order"), to reflect the current proposal and a Motion to Consolidate Hearing to enable the Commission to consider the Petition and Motion for Order concurrently.

⁵ The acreage of the MRTP in the Final Environmental Impact Statement ("FEIS") differs slightly as it includes portions of certain roadways.

MAP 3

A84-585 - AMENDED FINDINGS OF FACT, CONCLUSIONS OF LAW
AND DECISION AND ORDER DATED FEBRUARY 25, 1986

TRUE NORTH
NOT TO SCALE



Map prepared by [unreadable] for the [unreadable] Department of Planning and Economic Development, Honolulu, Hawaii. Date: [unreadable]

E) (see attached Petitioner's Exhibit 11, FEIS, Volume IV, Appendix P, Figure 2a). The Petition Area consists of Areas B, D, and E.

The Employment Core (Area A) includes the existing buildings and currently vacant lots and consists of approximately 85.953 acres. Major new knowledge-based employment zones are located mauka (Area E) and to the south (Area B) of the Employment Core and consists of approximately 214.032 acres. An approximately 64.079-acre mixed-use village center (Area C) is proposed to include a mix of housing, office, civic, live-work, park, and neighborhood serving retail uses. This area was part of the new First Increment and is not part of the current Petition. Altogether the total number of single-family and multi-family residential units proposed within the entire MRTP (Areas B, C, D, and E) is 1,250 (750 single-family and 500 multi-family). Within the Petition Area, approximately 200 multi-family and 650 single-family residential units are proposed. The units are targeted to a wide spectrum of consumer groups, with prices ranging from \$280,000 to \$400,000 for multi-family units, \$400,000 to \$560,000 for townhomes, and \$640,000 to \$1,000,000 for single-family units.

Project Need:

The Project utilizes the principles of New Urbanism and Smart Growth to transform the existing MRTP into an integrated and mixed-use community focused around a regional knowledge-based industry employment base. According to Petitioner, the MRTP's current 2-acre minimum lot size makes it cost prohibitive for many small businesses to enter the MRTP. There is also a dearth of fully entitled lots of sufficient size for large campus type users. At the present time, the MRTP's zoning ordinance prohibits mixed-use development, which has prevented the establishment of goods and services that are attractive to a high technology workforce. This lack of amenities coupled with the lack of nearby residential opportunities have made the MRTP entirely automobile dependent.

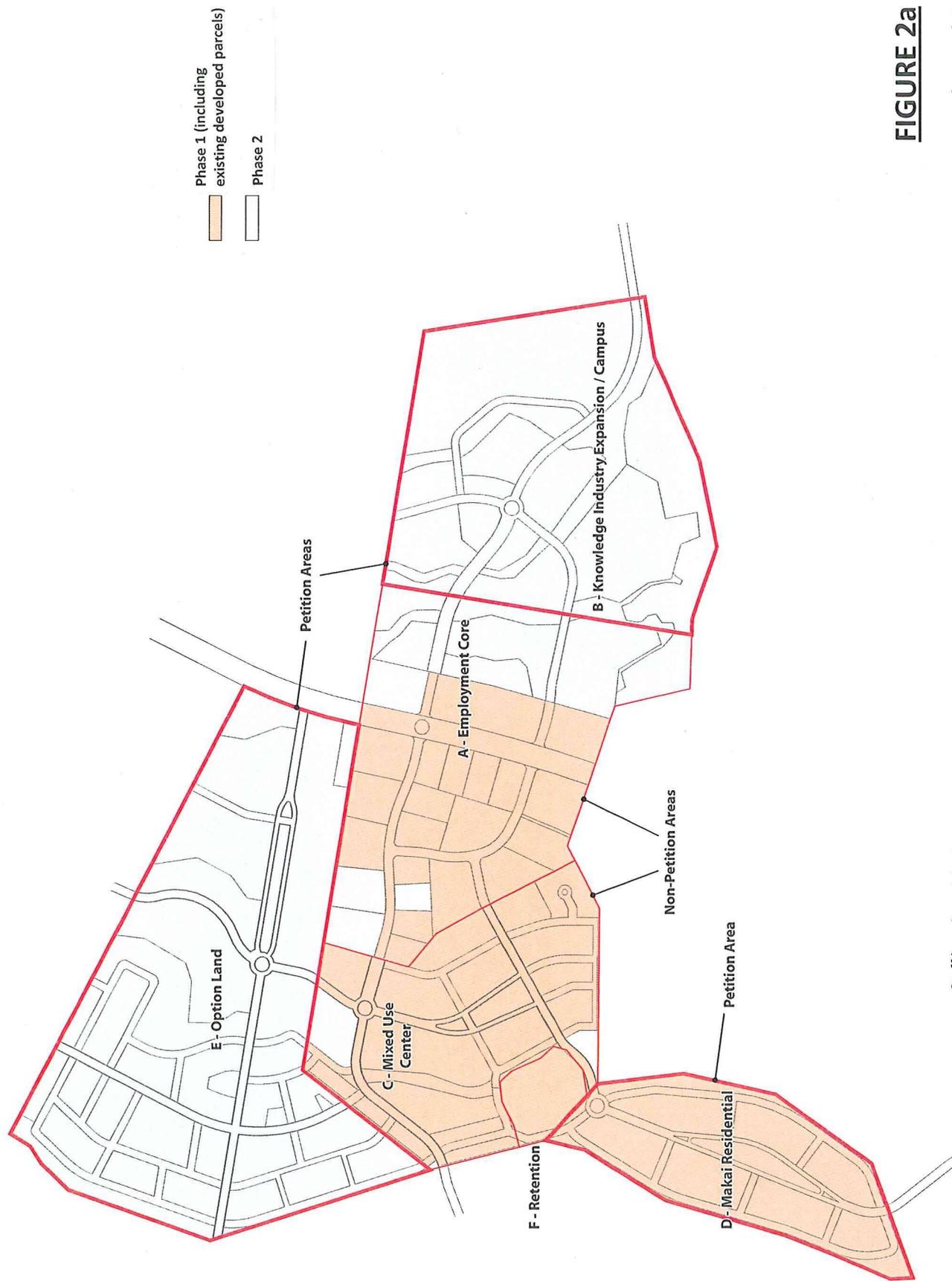


FIGURE 2a

Lands Within Phases 1 and 2

Staff has altered the legend and title of the figure to avoid confusion and to more accurately reflect the terminology used elsewhere in the Petition.

Hallstrom Group Inc. prepared a market study for the Project. The study forecasted demand for commercial, industrial, and residential development within the Kihei-Makena area through 2035. The study reached the following conclusions:

- 1) The demand for new residential units will increase from 7,760 to 12,009 over the next 24 years to 2035. The number of existing, unsold, and planned housing units, excluding those proposed by the Project, will not be sufficient to meet this demand, resulting in a shortfall that will enable the Project's single-family homes/lots and multi-family units to be absorbed in approximately 14 and 13 years, respectively.
- 2) There will be a demand for an additional 907,000 to 1,506,000 square feet of gross leasable floor space by 2035. This equates to an additional 81 to 141 acres of vacant gross land area to support expected market needs.
- 3) The demand for additional industrial floor space on Maui over the next 24 years (through 2035) will go from 5.3 million to 6.7 million square feet. This equates to a demand for between 466 to 599 gross acres of underlying sites at prevailing "business park" densities. While there is sufficient existing and proposed vacant industrial land to meet demand on a gross basis, much of this acreage consists of heavy industrial, restricted use, agricultural-oriented, dump and waste transfer sites, outlying locations and other non-competitive lands.
- 4) Based on the Project's location, timing, availability of competitive sites in Kihei-Makena, revisions to the restrictions in the MRTP, and other factors, it is estimated that the Project could capture from 1.1 million to 1.5 million square feet of the projected demand on Maui under an "historic economic growth trend" perspective.

- 5) As the Maui economy grows and diversifies, there could be educational, institutional, and business/R&D uses that would be interested in a Maui location for their operations. These uses require from 30 to 200-acre sites for facilities/campuses of between 300,000 and 1.1 million square feet of floor space.

Project Cost: The total cost for offsite and onsite infrastructure improvements is estimated to be \$162.8 million. The cost is further broken down by phases (see below): Phase 1 is estimated at \$77.5 million and Phase 2 is estimated at \$85.3 million.

Development Timeframe: The Project is to be implemented in two phases: Phase 1 is anticipated to be completed in 2024, while Phase 2 is anticipated to be completed in 2034.⁶ Phase 1 would include the majority of lands comprised by Areas A and C that were urbanized as part of the new First Increment and Area D, which was part of the new Second Increment and is now part of the current Petition Area. Phase 2 would include Area B, which was part of the new Second Increment and constitutes a portion of the current Petition Area, Area E, the additional approximately 123.843-acre area which represents the remaining current Petition Area, and the balance of Areas A and C that are not in Phase 1 (see attached Figure 2a from Appendix P, FEIS, Volume IV).

Office of Planning (“OP”) Representatives: Jesse Souki, Director.
Bryan C. Yee, Esq., Deputy Attorney General.

OP’s Position: Support w/conditions (Statement of Position filed June 26, 2013).

⁶ Despite the development phasing of the Project, Petitioner is requesting that the Commission reclassify the Petition Area in its entirety. Under section 15-15-78, HAR, the Commission has the option to reclassify the entire Petition Area or redistrict only that portion which Petitioner plans to develop first and provide for incremental districting of the remainder in 10-year increments.

County of Maui William Spence, Planning Director.
Department of Kurt Wollenhaupt, Staff Planner.
Planning ("DP")
Representatives:

DP Support w/conditions (Statement of Position filed June 17,
Position: 2013).

Intervenor: None. The intervention deadline was July 8, 2013.⁷

Prehearing Date: No prehearing. By letter dated June 26, 2013, the parties were provided with the following submission deadlines:
July 8, 2013: List of Witnesses, List of Exhibits, and Exhibits.⁸
July 17, 2013: List of Rebuttal Witnesses, List of Rebuttal Exhibits, and Rebuttal Exhibits.
July 17, 2013: Written Direct Testimonies of Expert Witnesses.

Hearing Date: July 25-26, 2013.

365-Day Deadline: May 20, 2014.⁹

⁷ Pursuant to section 15-15-52(e), Hawaii Administrative Rules ("HAR"), the intervention deadline was July 6, 2013, which fell on a Saturday. In accordance with section 15-15-16, HAR, the deadline was extended to run until the end of the next day which was not a Saturday, Sunday, or legal holiday.

⁸ By agreement of the parties, both OP and the DP were allowed to file their respective written testimonies on July 16, 2013.

⁹ The Petition was deemed a proper filing and accepted for processing as of May 20, 2013.

2. SUMMARY OF PROJECT IMPACTS¹⁰

SOCIO-ECONOMIC IMPACTS

Socio-Economic Impacts:

The Hallstrom Group Inc. prepared an economic and fiscal impact assessment for the Project dated May 2012. Based on the assessment, the total resident population of the fully built Project is estimated at 2,765 persons. This represents approximately 26 percent of the projected population growth within the Kihei-Makena area from 2010 to 2030. It is not anticipated that these individuals will represent a significant in-migration of people to Maui. In addition, up to 5,878 employees can be expected at the completed Project, many at high paying jobs. The Project will involve the development of up to 1,250 residential dwelling units that will be targeted to the full spectrum of workers at the MRTP, providing additional housing choices to meet the demand in the Kihei-Makena Corridor. It is likely that most of the multi-family residential units will have market-based prices at or below affordability thresholds. By incorporating housing in proximity to employment opportunities, many of the negative impacts that are often associated with urban sprawl, such as long commuting times and traffic congestion, will be alleviated.

The Project is expected to generate short-term and long-term economic benefits. Short-term benefits include construction-related employment, while long-term benefits include increased permanent employment and tax revenues for both the County and State. Among the findings of the assessment (in constant 2012 dollars):

- \$1.39 billion in capital investment into Maui's economy
- 63,507 "worker-years" of employment
- \$2.7 billion in total wages over a 19-year period
- 5,878 permanent jobs onsite with an annual payroll of \$217 million

¹⁰ The summary of impacts is based on the Petition and the FEIS. The FEIS was prepared in support of the Project of which the Petition Area constitutes a portion.

- 1,469 workers offsite with an annual payroll of \$68.6 million
- \$6.2 billion in taxable sales/revenues, averaging \$324.7 million per year, during the construction and absorption period
- \$557 million annually in business activity in the community following stabilization
- \$7.8 billion in base economic impact on Maui during buildout and \$903.9 million annually after stabilization
- \$141.3 million in real property and transient accommodation taxes, other secondary receipts, and impact fees to the County during the construction and absorption period (net benefit of \$25.3 million) and \$28.5 million annually following stabilization (net benefit of \$21.5 million annually)
- \$752.5 million in gross excise, income, transient accommodation taxes, secondary revenues, and impact fees to the State during construction and sales projection timeframe (net benefit of \$466.3 million), and \$80.4 million per year thereafter (net benefit of \$57.3 million annually)

IMPACTS UPON RESOURCES OF THE AREA

Agricultural Resources:

Approximately 39 acres of the MRTP site is currently used for grazing. The soil on the Petition Area is classified by the three soil classification systems as follows:

U.S. Department of Agriculture, Natural Resource Conservation Service

The Petition Area consists of soil that is classified as Waiakoa extremely stony silty clay loam. This soil type is characterized by 3 to 25 percent slopes, with medium runoff, and presents a severe erosion hazard. At least half of the surface layer is typically eroded in most areas. The soil is further classified as VII_s, which indicates soil that has very severe limitations that make it unsuitable for cultivation and restrict its use largely to pasture or range, woodland, or wildlife habitat. The "s" subclassification indicates that the

soil has an unfavorable texture, or is extremely rocky or stony.

Agricultural Lands of Importance to the State of Hawaii (ALISH)

The Petition Area consists of lands that are “Unclassified.” Such lands do not meet the criteria for being rated “Prime,” “Unique,” or “Other” important agricultural land.

University of Hawaii, Land Study Bureau (LSB)

The soils on the Petition Area are primarily classified as overall (master) productivity rating class “E,” representing soils with the lowest productivity in the classification. The remaining soils are “Unclassified.”

Flora & Fauna:

Robert W. Hobdy (“Hobdy”) conducted botanical and faunal surveys for the Project in October 2008. In addition, SWCA Environmental Consultants (“SWCA”) conducted botanical and wildlife reconnaissance surveys on February 23 and March 31, 2011, in response to comments from the U.S. Fish & Wildlife Service (“USFWS”). The site is dominated by two non-native species: kiawe and buffelgrass. Hobdy identified 14 species during the surveys; two species were native to the Hawaiian Islands: ilima and uhaloa. However, these indigenous species were uncommon. SWCA found an additional nine non-native species not observed by Hobdy. One of these species, the Obscure Morning Glory, is a possible host plant for the adult Blackburn’s sphinx moth; however, no species confirmed as larval host plants for the moth was found.

With respect to fauna, Hobdy identified cattle, Axis deer, and feral cats as the only mammals during the survey. Fourteen non-native bird species were recorded. No evidence of the endangered Hawaiian hoary bat or Blackburn’s sphinx moth was found. SWCA subsequently affirmed Hobdy’s findings.

Petitioner intends to incorporate various measures to avoid direct impacts to any Hawaiian hoary bats by not removing or trimming woody plants greater than 15 feet between June 1 and September 15 throughout the development and operation of the Project. To avoid possible impacts to seabirds, outdoor lighting will be minimized to the extent practicable to avoid creating an attractive nuisance to Newell's shearwaters and Hawaiian petrels that may transit the site at night. In addition, outdoor lights will be shielded. To minimize the impacts to any potentially listed bird species, no permanent open water features that could be a possible attractant will be part of the Project. Petitioner has also committed to conducting another comprehensive survey for the Blackburn's sphinx moth host plants prior to land clearing to ensure that the species and its habitat will not be affected.

During construction of the Project, Petitioner plans to maintain a sufficient fire break along the boundaries of the MRTTP's expansion. When completed, Petitioner proposes to remove all non-native grasses, weeds, and scrub fuels from the site. The completed MRTTP will have the required fire hydrants and water pressures. Moreover, Petitioner intends to work with the County Fire Prevention Bureau to minimize potential wildfire risks and will continue to coordinate with the USFWS on wildlife prevention and response measures throughout the planning process.

To minimize the spread of invasive species, Petitioner plans to implement measures during land clearing and construction to prevent the invasion of disturbed areas by noxious invasive weed species, non-native tree tobacco, and other potential non-native host plants of the Blackburn's sphinx moth. In addition, Petitioner notes that offsite sources of revegetation materials, such as seed mixes, gravel, and mulch, will be certified to be weed free before their use on the site. Finally, Petitioner represents that, to the extent practicable, it will utilize the local seeds of native plant species naturally found in the dry scrubland habitats of the area for landscaping.

*Archaeological/
Cultural
Resources:*

Scientific Consultant Services prepared an archaeological inventory survey ("AIS") for the Project dated September 2008. A total of five sites were identified. Three sites were on parcels 17 and two sites were on parcel 54 of TMK: 2-2-24. The sites consisted of two historic modified outcroppings, a traditional or historic boundary wall, an L-shaped military training feature, and a site consisting of three mounds that are traditional location markers. Under the significance evaluation criteria established for the State and National Register of Historic Places, all the sites were deemed significant under Criterion D, which means that the sites have yielded or have the potential to yield information important in prehistory or history. It was recommended that the boundary wall be informally preserved in its entirety or a portion thereof if given the opportunity. It was also suggested that a protective orange fence be placed along the wall on the northern ridgeline boundary of parcel 17 to protect two undocumented rock shelters occurring offsite below in Waipuilani Gulch. The State Historic Preservation Division ("SHPD") accepted the AIS and recommended that the wall be bordered by a protective orange construction fencing prior to ground altering disturbance within parcel 17. The SHPD concluded that no historic properties would be affected by the Project.

Hana Pono, LLC, prepared a cultural impact assessment for the Project dated December 2006 and revised December 2011. Interviews were conducted with 12 individuals knowledgeable about the ahupuaa in which the Project is located. Among the findings of the assessment was the lack of visible cultural resources, such as medicinal plants, shoreline resources, and religious sites, or archaeological resources on the property. The assessment concluded that there were no apparent signs of cultural practices or gathering occurring. In addition, the interviews did not reveal any known gathering places on the property or any access concerns. As such, it was determined that the Project would not impact cultural resources on the property or within its immediate vicinity. However, it was recommended that the Project incorporate a program of

cultural orientation for construction personnel as well as protocol for addressing inadvertent archaeological finds.

*Groundwater
Resources:*

Tom Nance Water Resources Engineering prepared an assessment of the potential impact of the Project on groundwater resources dated March 2012. Groundwater beneath the MRTP occurs as a brackish basal lens overlying saline groundwater at depth and in hydraulic contact with seawater shore. Identified as the Kamaole Aquifer, it is estimated that its total recharge is 37 million gallons per day ("MGD"). Present pumpage in the aquifer is approximately 4 to 5 mgd, most of it occurring for golf course irrigation in the Wailea-Makena area to the south. According to the assessment, this pumpage is unlikely to significantly influence the rate of flow beneath the MRTP.

The development of well fields for the Project will result in a change in the groundwater flow beneath the MRTP.¹¹ By developing wells at the 80-foot elevation, the groundwater flow rate is reduced from 6.5 MGD to 5.6162 MGD, or a 13.6 percent reduction. Drilling onsite reduced the flow rate from 5.1 MGD to 4.2162 MGD, a 17.3 percent reduction.

The assessment also determined the impact on downgradient users. In the mauka/makai corridor of potential impact, the groundwater flow is approximately 6.5 MGD. The Project's net draft of groundwater from the usable portion of the basal lens is 1.28 MGD for the offsite wells and 1.42 MGD for the onsite wells. The assessment used the higher number and added 40,000 MGD in downgradient wells for a total draft of 1.46 MGD, or 22 percent of the groundwater flow rate in the mauka/makai corridor.

It is projected that the Project's use of groundwater would be well within the Commission on Water Resource

¹¹ Because the County cannot commit to providing drinking water beyond the existing 18 lots within the MRTP, Petitioner is seeking an alternative to this public water system (see discussion under *Water Service*).

Management's ("CWRM") definition of the sustainable yield of the aquifer. The assessment noted, however, that the active downgradient wells located near the shoreline may experience some degree of salinity increase as a result of pumpage of the MRTP's proposed wells. This increase is estimated at 10 percent.

Changes to the groundwater flow will also impact the level of nutrients that will ultimately discharge into the ocean. In determining this impact, the assessment made certain assumptions regarding the nitrogen and phosphorus concentrations in groundwater pumped by neighboring wells, the reverse osmosis process, the application of fertilizer, and the natural process of percolation. It was estimated that the nitrogen levels would increase from 0.8 to 0.9 percent and the phosphorus levels would increase from .03 to .04 percent.

To promote infiltration and groundwater recharge, Petitioner intends to incorporate vegetated surface drainage facilities and where appropriate porous pavements within the Project.

*Recreational
Resources:*

There are approximately 10.51 acres of sub-regional park land (i.e., mini, neighborhood, and district/community) per 1,000 residents in the Kihei-Makena area. Most of these parks are located along the coast and primarily consist of beach parks with few recreational facilities. Phase I of the South Maui Community Park, located across Piilani Highway from the MRTP, was recently completed and opened. In addition to these public facilities, there are private facilities, including golf courses and tennis courts, that are associated with the region's hotels.

The Project will include mini and neighborhood parks as well as open space totaling approximately 88.7 acres. According to Petitioner, this equates to 32.18 acres of park land per 1,000 population of the Project. In addition, the requirements for parks and playgrounds will be complied with in accordance with the Maui County Code Section

18.16.320. Based on these commitments, Petitioner anticipates that the Project will not adversely impact the region's recreational resources.

Visual Resources: The Petition Area and the existing MRTP is located on the southern slope of Haleakala and mauka of Kihei. Elevations at the site range from 160 feet above mean sea level ("msl") near Piilani Highway to approximately 260 feet above msl at the most mauka point of the MRTP. The existing buildings at the MRTP do not exceed 45 feet in height and views of them are screened by the existing golf course development from Piilani Highway. Two gulches border the site and provide natural buffers along its northern and southern edges. The site ranges from approximately 600 feet to almost one mile mauka of Piilani Highway. The furthest makai portion of the site nearest to the highway (Area D) is planned for single and multi-family residential uses. Residential building heights within the MRTP are limited to three stories, or 40 feet, while the maximum height of non-residential buildings will be 50 feet. It is not anticipated that mauka views of Haleakala from Piilani Highway will be significantly impacted by the Project.

Under the Project, the types of uses will change from what presently exists at the MRTP. The Master Plan Design Guidelines will limit building height to maintain views towards the summit of Haleakala and the Pacific Ocean, and the Project calls for open space throughout. According to Petitioner, the guidelines are being developed to control the density, architectural design, and variation of all buildings in the MRTP without sacrificing views or the aesthetic character of the MRTP.

ENVIRONMENTAL QUALITY

Noise: Y. Ebisu & Associates prepared an acoustic study for the Project dated April 2012. The existing background ambient noise levels within the Petition Area are relatively low at the mauka end and moderate on the makai end. Traffic along Piilani Highway controls the background noise levels at the

makai end and diminishes to inaudible levels at the mauka end. On the makai side of Piilani Highway, existing noise levels diminish with increasing distances from Piilani Highway, and are controlled by the traffic on connector roads and South Kihei Road in areas between Piilani Highway and the shoreline.

Existing traffic noise levels in the area along Piilani Highway are in the “Significant Exposure, Normally Unacceptable” category. At the first row of homes on the makai side of the highway, the noise levels are at or greater than 65 day-night average sound level (“DNL”). Similarly, the existing traffic noise levels in the area along South Kihei Road are in the “Significant Exposure, Normally Unacceptable” categories. Within 61 to 67 feet of the roadway’s centerline, the noise levels are at or greater than 65 DNL. Along the lower volume connector streets, existing noise levels are in the “Moderate Exposure, Acceptable” category. At 50 feet or greater distance from the roadways’ centerline, the existing noise levels are less than 65 DNL.

Based on the study, significant increases in traffic noise levels at noise sensitivity properties are not expected to occur as a result of traffic generated by the Project upon full buildout. Along Piilani Highway fronting the Project, traffic noise levels of approximately 70 DNL are expected to increase to approximately 71 to 73 DNL at 100-foot distance from the centerline by 2024 as a result of all traffic. By 2034, traffic noise levels along Piilani Highway are expected to be reduced to existing noise levels following completion of the proposed north-south collector road on the mauka side of the Project. However, this road will increase the existing background ambient noise levels at the mauka end of the Project and along the proposed corridors of the collector road and connecting roadways.

According to the study, the largest increase in traffic noise from the Project is predicted to occur along Lipoa Parkway, East Welakahao Street east of Piilani Highway, and along Lipoa Street west of Piilani Highway. Adverse traffic noise

impacts along Lipoa Parkway and East Welakahao Street are not anticipated to occur since noise sensitive developments are not planned in these areas. The noise sensitive buildings along Lipoa Street west of Piilani Highway have adequate setback distances from the street, so predicted traffic noise levels should remain in the "Moderate Exposure, Normally Acceptable" category at these buildings. As such, mitigation measures should not be required. Similarly, the proposed residential uses within the Project will be setback significantly from Piilani Highway.

In addition to vehicular traffic, construction of the Project will generate noise impacts. These impacts would typically occur with excavation and earth moving activities. Mitigation measures to address these impacts include the use of quiet equipment and compliance with State Department of Health ("DOH") construction noise regulations.

The consultant opined that the revised Traffic Impact Assessment Report ("TIAR") dated February 2013 did not require that further acoustic analysis for the Project be undertaken as it was unlikely the acoustic results and conclusions would change significantly.

Air Quality:

B. D. Neal & Associates prepared an air quality study for the Project dated May 2012. The construction of the Project will generate short and long-term impacts on air quality. Fugitive dust and exhaust emissions from stationary and mobile construction equipment and workers' vehicles typically affect short-term air quality. Several measures to mitigate fugitive dust have been identified and include watering of active work areas, using wind screens, maintaining clean roads, covering open-bodied trucks, limiting areas that can be disturbed at any given time, and mulching or chemically stabilizing inactive areas that have been worked. Exhaust emissions can be mitigated by moving construction equipment and workers to and from the site during off-peak traffic hours.

Long-term impacts to air quality will be generated by motor vehicles coming to and from the MRTTP. The study found that during worst-case scenarios with and without the Project, the present 1-hour and 8-hour carbon monoxide concentrations at nearby intersections would be well within the State and national ambient air quality standards. With or without the Project, carbon monoxide concentrations in the vicinity during the next 20 years would likely decrease somewhat compared to existing concentrations. As such, the study concluded that implementing mitigating measures for traffic-related air quality impacts is probably unnecessary and unwarranted. The consultant opined that the revised TIAR dated February 2013 did not require that further air quality analysis for the Project be undertaken as it was unlikely the air quality results and conclusions would change significantly.

While the Project's electrical power demand may generate long-term impacts to air quality in the form of increased sulfur dioxide and nitrogen oxide emissions (assuming power continues to be generated from fuel oil), the development of renewable energy sources could reduce these emissions substantially. The use of energy conservation measures within the Project could further reduce these emissions. Although emissions from solid waste generated by the Project are not expected to be significant, conservation and recycling measures could help to reduce any potential impacts.

Water Quality:

The MRTTP stormwater management plan calls for the use of vegetated surface drainage facilities to treat and infiltrate stormwater to control water pollution, reduce peak flows and runoff volumes, and promote groundwater recharge. The use of vegetated drainage facilities, such as detention ponds, infiltration basins, and filter strips, allow for the infiltration of stormwater into the soil and for its absorption, slowing the movement of stormwater and removing any trash and floating debris, suspended solids, organic nutrients, and other pollutants, which may otherwise enter downstream properties and coastal waters.

Petitioner intends to continue the use of vegetated drainage facilities within the Project, including buildings, driveways, and parking lots. In addition, site management practices will be encouraged among residents, business owners, and operators within the Project to reduce water pollution.

ADEQUACY OF PUBLIC SERVICES AND FACILITIES

Highway/Roadway Facilities: Parsons Brinkerhoff, Inc., prepared a TIAR for the Project dated February 2012 and revised February 2013. The TIAR described the highway/roadway facilities in the area and the impacts and mitigation measures for the affected roadways. The TIAR was revised based upon the comments of the State Department of Transportation (“DOT”) and commenters on the DEIS. Petitioner represents that it will work with the DOT to submit another revised TIAR prior to zone change approval.

The MRTP is served by an existing roadway network consisting of Piilani Highway, which is the primary regional and subregional access to the MRTP and provides north-south traffic circulation as does South Kihei Road and Liloa Drive. Lipoa Parkway/Lipoa Street provides east-west traffic circulation. Piikea Avenue is a collector roadway oriented in the mauka-makai direction (see attached Petitioner’s Exhibit 11, FEIS, Volume II, Overview, Figure 7).

To assess the existing traffic volumes, traffic turning movement counts were conducted at various intersections. The AM and PM peak hours were found to occur from 7:15 to 8:15 AM and from 3:45 to 4:45 PM, respectively. In addition, it was found that the observed intersections generally operated well with two exceptions: Piilani Highway and Piikea Avenue (during the AM peak hour, the northbound Piilani left turn is projected to operate at level of service (“LOS”) E, and during the PM peak hour, the eastbound Piikea left turn is projected to operate at LOS E) and Piilani Highway unsignalized intersections where eastbound left turns to Piilani Highway at unsignalized intersections are projected to operate at LOS E-F.

The revised TIAR included an assessment of four scenarios: Scenario 1 – No build. This scenario reflects the background conditions without the Project. Only existing roadways and those roadways committed by other developments, the State, and the County were included.

Scenario 2 – Build. This scenario reflects the Project and the associated vehicular trips. The assumptions in Scenario 1 in regard to the roadway network were included.

Scenario 3 – Build with the Project roadway improvements. Scenario 3 encompasses Scenario 2 with additional transportation improvements committed by the Project.

Scenario 4 – Build with the Project and regional roadway improvements. This scenario includes Scenario 3 with other needed regional transportation improvements in the analysis year (2024 for Phase 1 and 2034 for Phase 2).

The assessment of the four scenarios for 2024 reached the following conclusions:

- The intersection of Piilani Highway and Kaonoulu Street is projected to operate at LOS F with or without the Project. This intersection would be signalized as part of the Piilani Promenade development. Even with double southbound left turns and double left and right turns out of makai-bound Kaonoulu Street, many turning movements at the intersection are projected to operate at LOS F for all scenarios. Even with the makai collector in place, the intersection is projected to operate at LOS F during the PM peak.
- The construction of the Liloa Drive Extension (makai collector) is necessary to relieve congestion on Piilani Highway. The makai collector is projected to improve the traffic operation on Piilani Highway to an acceptable LOS except at Kaonoulu Street during the PM peak hour. Without the makai collector, traffic operation on Piilani Highway would fail with or without the Project.

- Along with the makai collector, the Project-related improvements are also essential to overall traffic operations on Piilani Highway, especially at the intersections with Piikea Avenue and Lipoa Parkway.
- At the intersection of Piilani Highway and Piikea Avenue, the LOS for the eastbound Piikea Avenue left turn is projected to improve from LOS F to C during the AM peak hour with the addition of the additional eastbound left turn lane. The left turn movement is projected to operate at LOS E or F during both peak hours, but the delay is greatly decreased and the left turn queuing is not expected to spillover with the Project-related improvements.
- At the intersection of Piilani Highway and Lipoa Parkway, Project-related improvements are expected to improve the overall LOS from F to D during both AM and PM peak hour. The left turn movement is anticipated to operate at LOS E during both peak hours, but the delay is greatly decreased and the left turn queuing is not expected to spill over with the Project-related improvements.

The assessment of the four scenarios for 2034 reached the following conclusions:

- The intersection of Piilani Highway and Kaonoulu Street is projected to operate at LOS F during the PM peak hour with or without the Project. The construction of the mauka collector is necessary to relieve congestion on Piilani Highway. The addition of the mauka collector is projected to improve the overall intersection LOS to an acceptable level on Piilani Highway except for at the intersection with Kaonoulu Street during the PM peak hour.

- The addition of the Project-related improvements at the intersection of Piilani Highway and Old Welakahao Road results in better LOS.
- At the intersection of Piilani Highway and Piikea Avenue, the overall LOS is expected to improve from F to C in the AM peak hour and from F to D in the PM peak hour.
- At the intersection of Piilani Highway and Lipoa Parkway, the overall LOS is projected to improve from F to C in the AM peak hour and from F to D in the PM peak hour.

The revised TIAR had the following recommendations for transportation improvements to mitigate Phase 1 impacts along Piilani Highway (see attached Petitioner's Exhibit 11, FEIS, Volume IV, Appendix P, Figure 7a):

Piilani Highway/Hookena Street Access

- Construct two-lane Hookena Street from within the MRTP to intersect Piilani Highway across from East Waipuilani Road.
- Configure the westbound Hookena approach as a right-in/right-out access with stop control.
- Provide acceleration and deceleration lanes to and from Piilani Highway.
- Maintain existing delineators on Piilani Highway to prevent left turns from East Waipuilani Road or Hookena Street from crossing the center line of Piilani Highway.

Piilani Highway/Piikea Avenue

- Construct an additional eastbound Piikea Avenue left turn lane (two total).
- Retime the traffic signal to optimize the intersection operation.

Piilani Highway/Lipoa Parkway

- Construct an additional southbound Piilani left turn lane (two total).
- Widen westbound Lipoa Parkway to provide for left, through, and right turn lanes.

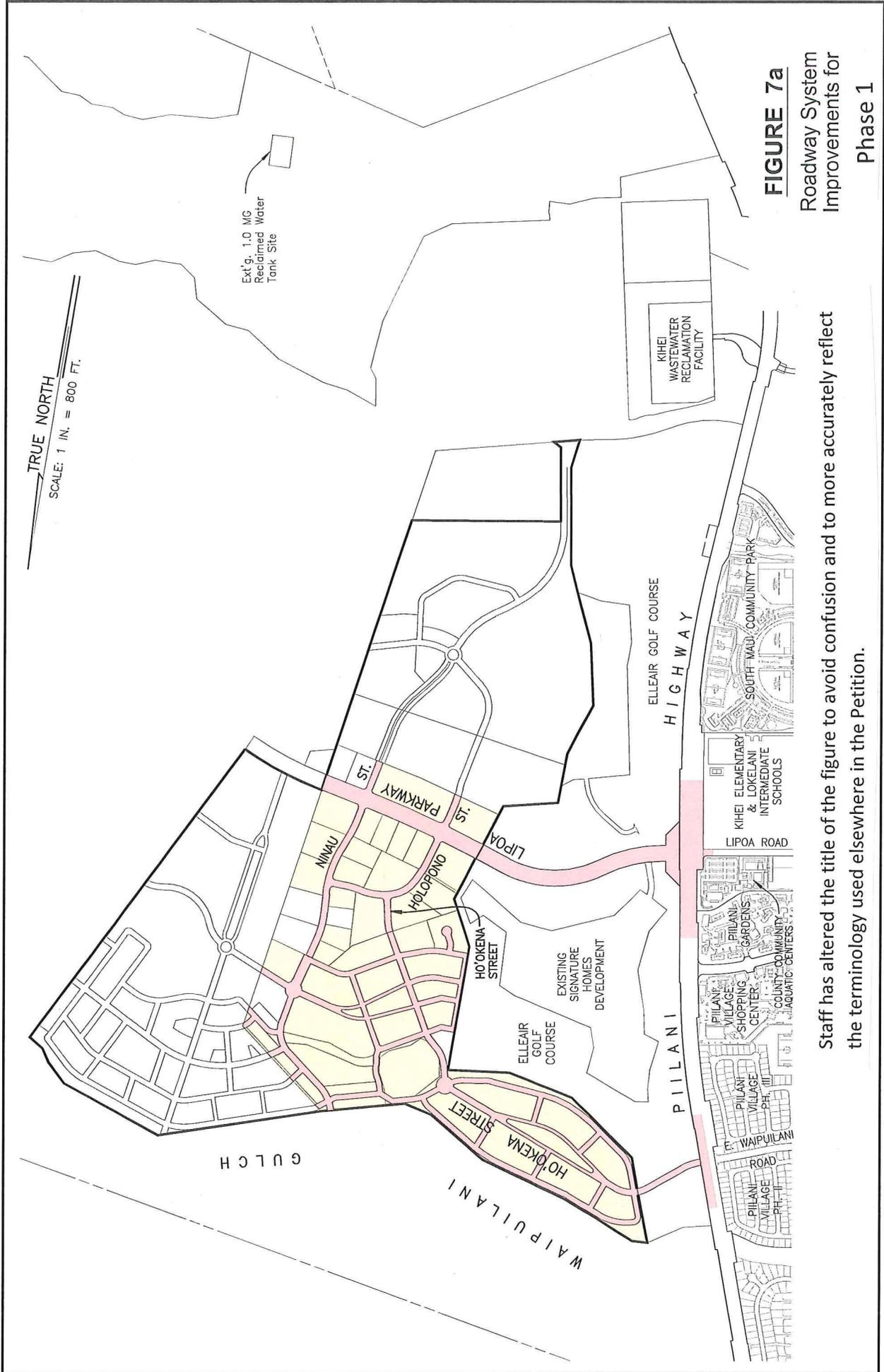


FIGURE 7a
 Roadway System
 Improvements for
 Phase 1

Staff has altered the title of the figure to avoid confusion and to more accurately reflect the terminology used elsewhere in the Petition.

- Widen and/or restripe eastbound Lipoa Street to provide left, through, and right turn lanes.
- Adjust signal timing and phasing to provide leading protected left turn phases for the east and westbound Lipoa left turn movements.
- Add the missing crosswalk on the north Piilani leg of the intersection to improve pedestrian connectivity.

Internal Kihei High School Access

- Construct an internal Kihei High School access from within the MRTP.
- Provide bicycle and pedestrian connectivity between the school and the MRTP.

The revised TIAR also noted that it is important the Liloa Drive Extension be constructed to provide a direct connection between Kaonoulu Street and Kanani Road as background traffic continues to grow with planned future developments. Without this extension, the traffic conditions along Piilani Highway would be adversely affected and generally deteriorate to LOS E or F with and without the Project.

The revised TIAR had the following recommendations for transportation improvements to mitigate Phase 2 impacts along Piilani Highway (see attached Petitioner's Exhibit 11, FEIS, Volume IV, Appendix P, Figure 7b):

Piilani Highway/Old Welakahao Road

- Construct two-lane Old Welakahao Road as the MRTP's direct access to Piilani Highway.
- Signalize the intersection and provide a leading protected left turn phase for the southbound Piilani Highway left turn into Old Welakahao Road.
- Provide southbound left turning lane from Piilani Highway to Old Welakahao Road and westbound left turning lane from Old Welakahao Road to Piilani Highway.

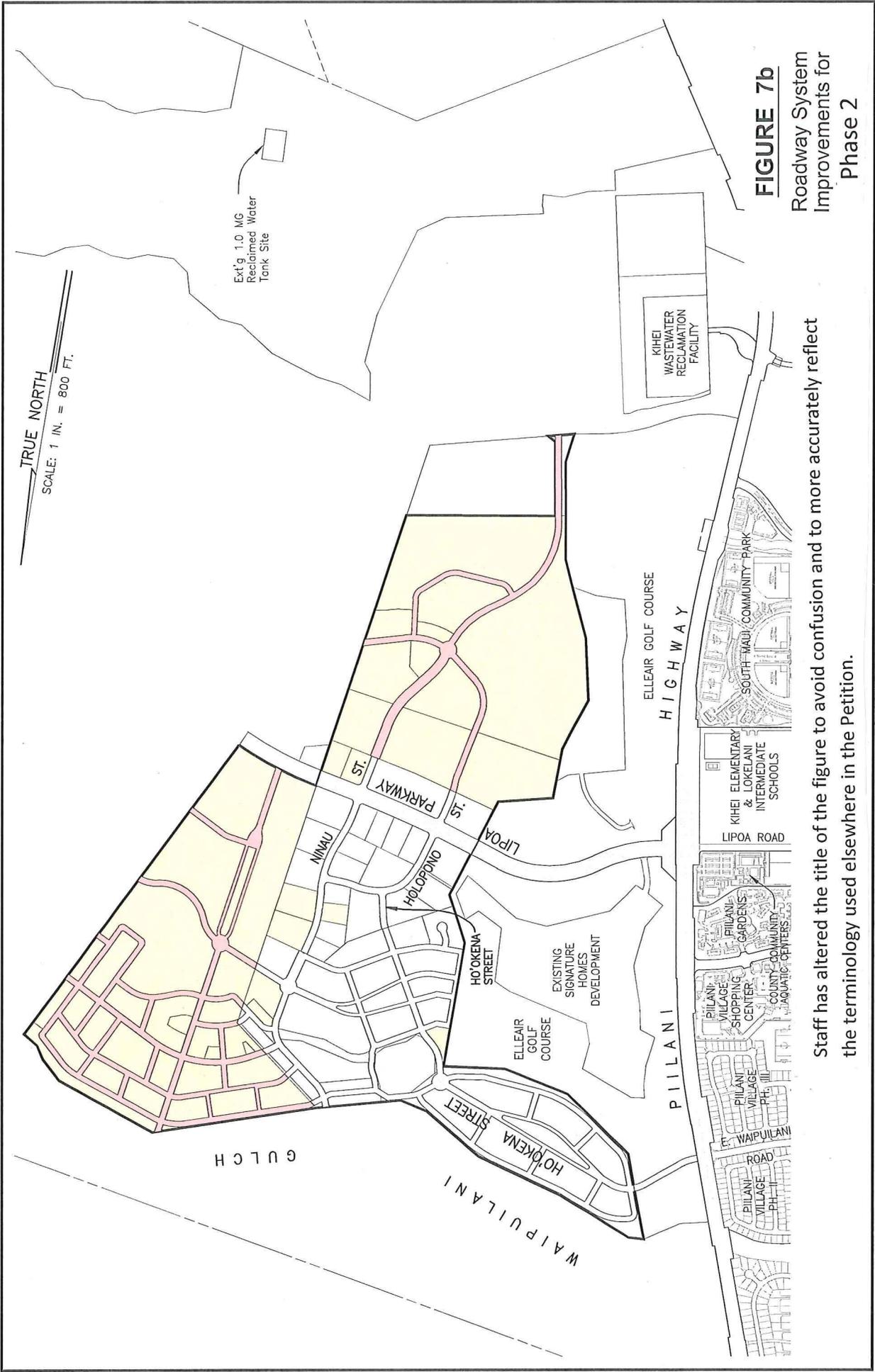


FIGURE 7b
Roadway System Improvements for Phase 2

Staff has altered the title of the figure to avoid confusion and to more accurately reflect the terminology used elsewhere in the Petition.

Mauka Collector within the MRTP property

- Construct the two-lane mauka collector within the MRTP property and additional two-lane in-tract roadway when warranted.
- Construct three mauka-bound access points to the mauka collector with proper intersection spacing within the MRTP property.

Despite these improvements, the revised TIAR noted that Piilani Highway will still experience congested conditions and excessive delays with and without the Project by 2034 due to regional growth. It was also emphasized that the proposed mauka collector road will be critical to enhance north-south mobility in Kihei as it would provide needed additional capacity and divert regional trips away from Piilani Highway.

Water Service:

The MRTP is located within the County Department of Water Supply's ("DWS") Central Maui Water System service area. Drinking water for the 18 existing lots within the MRTP is derived from existing wells in upper Waiehu and North Waihee that draw groundwater from the Iao and Waihee Aquifers. Drinking water from these wells is pumped into an existing 1.0 million gallon ("MG") capacity concrete water storage tank located in upper Waiehu. It is then conveyed across the isthmus by the Central Maui Water System's 36-inch diameter transmission main to consumers in South Maui. Water for the existing lots in the MRTP is then taken from the 36-inch Central Maui transmission line into a 16-inch diameter waterline that runs from Liloa Drive along Lipoa Street and Lipoa Parkway to the MRTP to supply its drinking water distribution system.

The MRTP has an agreement with the DWS to construct a 0.5 MG water storage tank at an elevation of 330 feet by 2014 to serve the future needs of the MRTP. Under the terms of the agreement, the existing 18 lots may rely on a connection to the County water system for their drinking water and fire protection water needs without needing to construct a 0.5 MG water storage tank. Nevertheless, as alternative sources

of water will be utilized by the Project, Petitioner plans to address the possible amendment of this obligation.

The existing MRTP distribution system consists of 12-inch waterlines located within the existing roadways fed from the 16-inch transmission line on Lipoa Parkway through a pressure reducing valve. Due to the high water pressure in the 16-inch transmission line, a pressure reducing valve was installed at the MRTP water distribution system connection to reduce the water pressure to approximately the same pressure that would be obtained after the 0.5 MG water storage tank is constructed in the future.

The existing irrigation systems for the landscaped common areas and developed parcels in the MRTP utilize R-1 quality effluent from the Kihei Wastewater Reclamation Facility ("KWRF") by drawing it from the existing County 10-inch R-1 waterline that runs along the easterly (mauka) boundary of the MRTP.

The water demand for the Project has been estimated as follows:

Phase	Developed Area	Average Daily Demand	
		Drinking Water	Irrigation
1	Employment Core	18,877	19,609
	Village Center	225,743	114,854
	Makai Residential	211,260	25,660
	Drainage Basins	---	9,632
	Total	455,880	169,755
2	Knowledge Exp/ Campus	40,084	59,460
	Residential and Knowledge Industry Exp.	302,101	144,114
	Total	342,185	203,574
	Grand Total	798,065	373,329

Stage of	Average Daily Demand (MGD)	Max Daily Demand (MGD)	(GPM) ¹²
End of Phase 1	0.46	0.69	475
End of Phase 2	0.80	1.20	830

Because the County cannot commit to providing drinking water beyond the MRTP's existing 18 lots, Petitioner has proposed an alternative source and distribution system that is privately owned and maintained to support the Project. This proposal would involve two source alternatives, both of which would require the development of a desalination facility and injection of wastewater back into the aquifer.

Source Alternative 1 would consist of offsite brackish wells at the 580-foot elevation drawing from the Kamaole Aquifer. This alternative involves the development of three wells for Phase 1 and two wells for Phase 2. Other improvements include a 0.25 MG brackish water head tank at the 590-foot elevation, a 12-inch transmission waterline to a reverse osmosis treatment plant, two disposal wells, drinking water storage tanks at the 375-foot elevation, and a 16-inch distribution waterline connecting the storage tanks to the MRTP's drinking water distribution system. Although present and future public and private users would not be adversely affected, future users of the mauka-to-makai corridor of groundwater flow would negatively impact the MRTP wells. As such, this alternative was deemed the least desirable.

Source Alternative 2 would consist of brackish wells within the MRTP drawing from the Kamaole Aquifer. Like the previous alternative, this option involves the development of three wells for Phase 1 and two wells for Phase 2; however, the wells would be spaced further apart and have greater capacity. Under this scenario, the associated

¹² Gallons per minute.

improvements essentially would be the same, only that they would be located within the MRTP.

Petitioner intends to continue using R-1 quality effluent from the KWRF to provide non-drinking irrigation water with supplementation from additional non-drinking water sources and associated infrastructure. As with the Project's drinking water, there are two alternatives: brackish wells at the 580-foot elevation and brackish wells within the MRTP. A total non-potable water storage capacity of 0.4 MG will be needed to supply the combined irrigation needs of Phases 1 and 2. Source Alternative 1 would utilize a single 0.4 MG capacity concrete or steel storage tank constructed above the MRTP at the 350-foot elevation. Source Alternative 2 would likewise utilize a single 0.4 MG capacity tank but constructed within the MRTP at approximately the 202-foot elevation. Pumps would be used to provide water pressure comparable to having the tank at the 350-foot elevation. Distribution mains of various diameters would be used to supply the individual lots within the Project.

*Wastewater
Disposal:*

The existing lots within the MRTP are served by a privately owned and maintained wastewater system that collects and conveys their wastewater to the KWRF for processing. Existing gravity sewer mains located under existing roads and within designated sewer easements collect wastewater from the lots and convey it to an existing sewer pump station located near the western boundary of the Project. The pump station then lifts the collected wastewater through a 6-inch force main to a transition manhole located near the southern end of the Project. The wastewater is then conveyed by a 10-inch gravity sewerline to a second pump station located near the northeast corner of the KWRF, which lifts the wastewater through a 6-inch sewer force main directly into the headworks of the KWRF.

The existing sewer pump stations have a capacity of approximately 880 GPM, or 1.26 MGD. The 6-inch force mains can accommodate approximately 880 GPM, or 1.26

MGD, of wastewater flow based on a maximum flow velocity of 10 feet per second in the force main.

The Project will require new gravity sewer mains located primarily within the planned roadways. The mains will collect wastewater from the developed lots and convey it to a new or existing sewer pump station. The wastewater will then be conveyed by force main to the KWRF for treatment. The expanded wastewater system will be connected to the existing MRTP system and continue to be privately owned and maintained.

Wastewater generated by the northern portion of Phase 1 and the northeastern portion of Phase 2 will be collected by gravity sewer mains and conveyed to a new wastewater pump station that will be located at the low point of the collection system near the western tip of the MRTP. The wastewater will be lifted through a new force main to a new sewer transition manhole located at the high point on Hookena Street. The wastewater will then travel through the existing system by gravity flow and force main to the KWRF for treatment.

Wastewater from the southern portion of Phase 2 will be conveyed by gravity sewerline to either the existing sewer pump station at the western boundary of the MRTP or the existing pump station near the southern end of the MRTP. The wastewater will then be conveyed by force main from either the pump station to the KWRF for treatment.

Incremental improvements to increase the capacity of the existing MRTP wastewater pumping system will be required to accommodate the larger design peak wastewater flows generated by Phases 1 and 2 as they are built out. In addition, capacity improvements and modifications to the existing force main connection at the headworks of the KWRF may be required by the County to accommodate the increased wastewater flow into the facility.

The MRTP has an agreement allowing a wastewater connection and discharge of up to 25,000 gallons per day into the existing private wastewater gravity and pump station/force main system in the adjoining Signature Homes Development located west of the MRTP. This wastewater flow is conveyed to the MRTP wastewater pump station near the western boundary of the MRTP. According to Petitioner, it is not expected that the MRTP will exercise this option.

The KWRF has a treatment capacity of approximately 8 MGD and currently has unused treatment capacity of 4.6 MGD based on actual average daily flows, or 1.2 MGD based on allocated wastewater flows. As the County's reclaimed water system is able to utilize only 40 to 50 percent of the R-1 effluent generated by the KWRF, the unused effluent is disposed of through existing injection wells located on the KWRF site.

The design average wastewater flow from the Project is expected to be approximately 0.6 MGD. Given the unused treatment capacity of the KWRF, there is currently sufficient treatment capacity available to accommodate the Project.

Drainage:

The site of the MRTP is flanked by two major drainageways: Waipuilani Gulch to the north and the Keokea Gulch to the south. Six minor, natural drainageways traverse the site in an east-to-west manner. Storm runoff from the undeveloped lands mauka (east) of the site as well as on the site itself flows across the MRTP in an east-to-west direction. From there, runoff continues westward across the Elleair Golf Course to Piilani Highway. Existing culverts pass the runoff under the highway. At this point, several drainage facilities convey the runoff through Kihei and then to the ocean. The magnitude of the combined offsite storm flows that pass through the MRTP is estimated at 1,300 cubic feet per second ("cfs").

Under the onsite drainage plan prepared for the Project, offsite runoff will continue to flow as presently allowed.

Drainage reserve areas have been incorporated into the Project to ensure that such runoff flows safely through the site. The development of the Project is expected to increase the peak flow rate of runoff. Based on a 50-year recurrence interval, 1-hour duration storm, the pre-development runoff has been calculated at 379 cfs. After buildout of the Project, the total runoff is anticipated to be 904 cfs, an increase of 525 cfs.

For roads and residential areas, Petitioner intends to mitigate the increased runoff by constructing onsite drainage detention basins of varying storage capacities within each of the nine drainage areas that are on the MRTP site. It is the intention to limit discharges to flow rates no greater than what exists under current conditions. As both the commercial and institutional uses proposed in the Project will also contribute to the overall increase in runoff, each lot will be required to mitigate its own contribution so that downstream stormwater discharge at the peak rate is no greater than at its pre-development level. Such mitigation could take the form of subsurface storage chambers or above-ground drainage ponds.

To safeguard against the adverse impacts of runoff to water quality, Petitioner intends to incorporate vegetated surface drainage facilities and site management practices (see discussion on *Water Quality*) within the Project.

*Solid Waste
Disposal:*

The development of the Project will generate solid waste from site preparation and actual construction. Petitioner notes that a solid waste management plan will be coordinated with the County's Solid Waste Division for the disposal of onsite and construction-related waste material. Utilizing the County's estimates for solid waste generation, the total waste anticipated with the Project is projected at 11,653 tons per year, with 8,157 tons per year generated after accounting for the County's diversion rate of 30 percent. According to Petitioner, the Project will support the County's recycling, reuse, and composting activities and will implement the strategies of the Integrated Solid Waste

Management Plan to divert solid waste from landfills to reduce landfill dependency, save landfill capacity, and improve operational efficiency. Options for recycling will be provided to residents and businesses.

*Educational
Facilities:*

The Petition Area is located within the Baldwin-Kekaulike-Maui Complex Area, which is comprised by the following schools: Kahului Elementary, Kihei Elementary, Lihikai Elementary, Kamalii Elementary, Pomaikai Elementary, Lokelani Intermediate, Maui Waena Intermediate, and Maui High School. All of the schools are projected to have an increase in enrollment in the 2016-2017 timeframe from 2011-2012.

The new Kihei High School (Docket No. A11-794) is proposed on approximately 77.2 acres of land mauka of Piilani Highway, north of the MRTP.¹³ Phase I is scheduled to open in 2016 with a design capacity of 930 students, staff, and visitors, while Phase II is planned to open in 2025 with a design capacity of 1,941. There has been discussion about a direct pedestrian and bicycle access between the Project and the planned high school; however, the type and timing of connection is uncertain at this point. A direct route of access for bicycles and pedestrians is being considered in the Waipulani Gulch area near Piilani Highway. Petitioner will continue discussions with the State Department of Education ("DOE"), the owner of Waipuilani Gulch, and other stakeholders to resolve the matter of pedestrian connectivity. Petitioner also represents that it will comply with all applicable impact fees and intends to contact the DOE to enter into an impact fee agreement at the appropriate time. It is projected that the Project could increase student population in the following manner: 238 elementary students, 103 intermediate students, and 138 high school students. According to Petitioner, the Project will accommodate a public and/or private elementary or intermediate school campus within the Village Center. The

¹³ The hearing on this docket was held on June 13 and 14, 2013.

10.1-acre civic site within the mixed use center would also conceptually include charter or private schools.

*Police & Fire
Protection:*

The Petition Area is located within the Maui Police Department's Kihei Patrol District 6, which is served by the Kihei Station approximately 2.5 miles from the MRTP at the Kihei Town Center. Two small offices are also located at Wailea Point between Kamaole Beach Parks II and III and the old Kihei Community Center. The new Kihei District Police Station is under construction at the intersection of Piilani Highway and Ke Alii Alanui Road, approximately 1.5 miles south of the MRTP. This full service police station will replace the current station at the Kihei Town Center.

There are two fire stations that serve South Maui: Wailea Fire Station and Kihei Fire Station. The latter station is located near Kalama Park on South Kihei Road, approximately 1.5 miles from the MRTP.

The Project will contribute to the population of the area, and is expected to generate a marginal increase in the demand for police and fire protection services. With respect to police services, it is anticipated that the Project will generate the need for 5.40 additional officers and 7.06 additional total employees based on the Police Department's data.

Increased tax revenues from the development of the Project are expected to provide additional funding for police and fire capital facility improvements and service upgrades. In addition, Petitioner intends to comply with any adopted impact fee ordinances for such services.

*Civil Defense
Facilities:*

The majority of the MRTP is served by a new emergency siren at the Kihei Community Center. Petitioner will consider incorporating hardening measures for safe rooms within the residential units and community facilities to withstand high-wind and seismic events. In addition, Petitioner will install one Omni 121 db(c) directional siren on the northeast section of the MRTP.

Medical Services: Maui Memorial Medical Center, Maui's only acute care hospital, is located approximately 10 miles from the MRTP in Wailuku. It is a 240-bed facility that provides acute, general, and emergency care services. There are also various private medical offices and facilities located in South Maui that provide medical services. The increased population anticipated with the development of the Project is not expected to substantially increase the demand for medical services and facilities. Petitioner notes that there will be an opportunity for medical services to locate within the Project's commercial areas to serve the community and neighboring areas.

*Electrical,
Telephone &
Cable TV Services:* Maui Electric Company's Maalaea Power Plant serves the Kihei-Wailea region from the Kihei and Wailea Substations. The MRTP is served by the Kihei Substation. The substation transformers convert the 69kV transmission power to 12.47kV distribution power, which is then transmitted via primary overhead lines that are underbuilt below the 69kV overhead transmission lines. On East Lipoa Street, the overhead distribution lines are fed into an underground system, which is currently tied into the MRTP main feed.

The Project is estimated to generate an electrical demand of 38,750 kilowatts. A new substation and associated infrastructure will be required in the first phase of the Project. Under the current plans, adequate land has been set aside for this substation. In addition, existing overhead power lines that run north-south along the mauka boundary of the southern portion of the Project are proposed to be placed underground.

Hawaiian Telcom, Sandwich Isle Communications, Time Warner Telecommunications, and Wavecom Solutions provide telephone and data connectivity service in the Kihei region via overhead and underground facilities. Oceanic Time Warner Cable provides cable television service. Hawaiian Telcom, Time Warner Telecommunications, and Wavecom Solutions have underground systems in place at the MRTP. Additional underground infrastructure may be

required to serve the proposed residential and commercial uses within the Project. Sandwich Isle Communications is currently sharing conduit and other infrastructure with another provider but is planning to have a separate dedicated system in the MRTTP in the future.

Oceanic Time Warner Cable has one node that services all the residential lots in the area and another node that services all the commercial lots. The current nodes are expected to adequately serve the Project.

3. AREAS OF CONCERN AMONG THE PARTIES

OP raised specific concerns in the following areas:

- Water Resources

OP is concerned with the need to disclose any impacts of the proposed desalination process on the underlying aquifer, and that Petitioner address this issue with the CWRM and the County as soon as possible.

OP may recommend a condition addressing this concern depending on the facts presented by the parties' experts on this issue during the hearing.

- Archaeological, Historic, and Cultural Resources

OP expressed concerns about the need to protect Waipuilani Gulch and to ensure that appropriate mitigation measures are undertaken in the event any cultural, historic, or archaeological resources are discovered during the construction of the Project.

OP has recommended a condition requiring Petitioner to prepare and implement an archaeological monitoring plan approved by the SHPD, with a report of monitoring activities submitted to the SHPD upon completion of fieldwork.

- Transportation

OP echoed the concerns of the DOT regarding the need to revise the TIAR, the potential impacts of the Project to the State highway facilities, and the timely mitigation of such impacts.

OP has recommended a condition requiring Petitioner to revise and resubmit the TIAR to the DOT for review and acceptance prior to zone change approval. Petitioner would also be required to fund and provide for the planning, design, and construction of all recommended transportation improvements required to mitigate transportation impacts from the Project at no cost to the State and to dedicate land to accommodate any required auxiliary lanes on Piilani Highway. Under the condition, Petitioner would further provide its fair share contribution toward the cost of regional transportation improvements to State highways as well as pay the

DOT the fair market value for access rights to Piilani Highway at the proposed Hookena Street/Piilani Highway intersection. Traffic noise levels along Piilani Highway would also need to be addressed with abatement measures at no cost to the DOT. Finally, the condition calls for Petitioner and the DOT to enter into a Memorandum of Agreement (“MOA”) to include the recommendations contained in the revised TIAR accepted by the DOT and assurances that the transportation improvements will be constructed concurrently with the development of the proposed uses. The MOA is to be executed prior to any tentative subdivision approval.

- Civil Defense

OP reiterated the concerns of the State Civil Defense that a siren system and safe rooms that withstand high wind and seismic events be provided.

OP’s recommended condition would require Petitioner to fund and install one civil defense warning siren specified by and in a location identified by the State Civil Defense. The condition further specifies that hardening measures be incorporated for community facilities and safe rooms within the residential units.

- Schools

OP is concerned about the impact of the Project’s student population on school facilities.

OP has recommended a condition requiring Petitioner to enter into an impact fee agreement with the DOE prior to subdivision approval.

- Drainage

OP emphasized the need to incorporate low impact development techniques and technologies in the design and construction of the Project’s drainage or stormwater management system.

OP’s recommended condition requires Petitioner to design, construct, and maintain stormwater and drainage system improvements in compliance with governmental laws and rules. Best Management Practices and Low Impact Development

practices would also be required for onsite stormwater capture and reuse into the Petition Area's site design and landscaping.

- Flora and Fauna

OP is concerned about the potential adverse impacts from the Project's exterior lighting on the avifauna that may traverse the MRTTP site between May and November, such as the endangered and endemic Hawaiian Petrel and the threatened Newell's Shearwater.

OP's recommended condition would require Petitioner to down-shield all exterior lighting fixtures.

The DP raised specific concerns in the following areas:

- Transportation

The DP noted that the County Department of Public Works ("DPW") reiterated its comments that Petitioner coordinate with the planning of a future mauka bypass highway. It is recommended that the TIAR be updated at the conclusion of Phase 1 and prior to starting Phase 2 in order to update if and when the four-lane roadway will be required. In addition, the DP echoed the DPW's recommendation that Petitioner ensure traffic projections and impact analysis be based on only existing infrastructure and future roadways and improvements that have secured commitments for construction.

The DP has recommended several conditions relating to transportation.

The first condition would require Petitioner to fund, construct, and implement roadway improvements to accommodate the development of the Petition Area pursuant to the requirements of the DPW.

The second condition that would require Petitioner to fund, construct, and implement all transportation improvements and measures to mitigate impacts on State roadway facilities generated by the Project to be set forth in an MOA agreed to and executed by Petitioner and the DOT prior to the final subdivision approval of

lots for the above ground construction on the Petition Area. The condition would also require the submission of an updated TIAR. The MOA would include terms and conditions relating to (1) the updated TIAR; (2) Petitioner's responsibilities for funding, constructing, and implementing improvements and mitigation; (3) a schedule of agreed to improvements and a schedule for future TIAR updates; (4) the development of the Project consistent with the MOA and TIAR; and (5) any fees or in-kind contribution that is roughly proportional to any indirect or secondary impacts generated by the Project.

The third condition would require Petitioner to construct the portion of the mauka collector within the MRTP boundary either during construction of Phase 2 or prior to 2034 concurrent with the development of the Kihei Mauka planned growth area. The condition would also require that these efforts be coordinated with the DOT.

- Water Supply

The DP related the DWS's concerns that it could not commit to providing drinking water beyond the 18 lots within the existing MRTP without further source improvements. The DWS added that it had no intention of assuming responsibility for Petitioner's proposed private water system or for meeting any future water demand requirements for additional components of the Project.

The DP's recommended condition requires Petitioner to provide the necessary water source, storage, and transmission facilities and improvements to the satisfaction of the DWS and/or the DOH.

- Wastewater

The DP conveyed the concerns of the County Department of Environmental Management ("DEM") who noted that Petitioner should make contingency plans for a supply of R-1 water to accommodate the landscape irrigation demands of the Project in the event the County is not able to have R-1 water available from its system. It was noted that Petitioner may need to fund improvements in the future to the KWRF as equipment/pipeline conditions change and flows increase.

The DP's recommended condition requires Petitioner to comply with the requirements of the DEM and/or the DOH.

4. SUMMARY OF SIGNIFICANT ISSUES

Agricultural Resources

Article XI, section 1, of the Hawaii State Constitution mandates that the State shall conserve and protect Hawaii's natural beauty and all natural resources, including land, water, air, minerals, and energy sources, and shall promote the development and utilization of these resources in a manner consistent with their conservation and in furtherance of the self-sufficiency of the State. More specifically, Article XI, Section 3, requires the State to conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency, and assure the availability of agriculturally suitable lands. Sections 205-17(3)(C), Hawaii Revised Statutes ("HRS"), and 15-15-77(b)(3)(C), HAR, further require that the Commission consider the impact of the proposed reclassification upon the maintenance of other natural resources relevant to Hawaii's economy, including, but not limited, to agricultural resources. Section 15-15-77(b)(6), HAR, also provides that:

Lands in intensive agricultural use for two years prior to date of filing of a petition or lands with a high capacity for intensive agricultural use shall not be taken out of the agricultural district unless the commission finds either that the action:

- (A) Will not substantially impair actual or potential agricultural production in the vicinity of the subject property or in the county or State; or
- (B) Is reasonably necessary for urban growth.

Section 205-44, HRS, requires the counties to identify and map potential important agricultural lands within its jurisdiction based on the following standards and criteria:

- (1) Land currently used for agricultural production;
- (2) Land with soil qualities and growing conditions that support agricultural production of food, fiber, or fuel- and energy-producing crops;
- (3) Land identified under agricultural productivity rating systems, such as the agricultural lands of importance to the State of Hawaii

(ALISH) system adopted by the board of agriculture on January 28, 1977;

- (4) Land types associated with traditional native Hawaiian agricultural uses, such as taro cultivation, or unique agricultural crops and uses, such as coffee, vineyards, aquaculture, and energy production;
- (5) Land with sufficient quantities of water to support viable agricultural production;
- (6) Land whose designation as important agricultural lands is consistent with general, development, and community plans of the county;
- (7) Land that contributes to maintaining a critical land mass important to agricultural operating productivity; and
- (8) Land with or near support infrastructure conducive to agricultural productivity, such as transportation to markets, water, or power.

Although the Petition Area is characterized by soils that are rated E, there are other factors, as noted above, that may qualify the Petition Area as important agricultural land. Therefore, the DP should clarify whether the Petition Area, or a portion thereof, has been identified as potential important agricultural land. In the event the DP has undertaken such an endeavor, the Commission is required under section 205-50, HRS, to consider the following standards and criteria for the reclassification of such land:

- (1) *The relative importance of the land for agriculture based on the stock of similarly suited lands in the area and the State as a whole;*
- (2) *The proposed district boundary amendment or zone change will not harm the productivity or viability of existing agricultural activity in the area, or adversely affect the viability of other agricultural activities or operations that share infrastructure, processing, marketing, or other production-related costs or facilities with the agricultural activities on the land in question;*
- (3) *The district boundary amendment or zone change will not cause the fragmentation of or intrusion of nonagricultural uses into largely intact areas of lands identified by the State as important agricultural lands that create residual parcels of a size that would preclude viable agricultural use;*
- (4) *The public benefit to be derived from the proposed action is justified by a need for additional lands for nonagricultural purposes; and*

- (5) *The impact of the proposed district boundary amendment or zone change on the necessity and capacity of state and county agencies to provide and support additional agricultural infrastructure or services in the area.*

The Commission should ensure that the evidentiary record in this proceeding is sufficient to determine whether it has fulfilled its obligation to conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency, and assure the availability of agriculturally suitable lands. Although the Petition Area is not currently in agricultural cultivation and the quality of the soils is considered poor, cattle grazing does occur on the Petition Area. Therefore, Petitioner needs to demonstrate and the Commission must find that the reclassification of the Petition Area (with or without mitigation measures) will not adversely impact agricultural production in the County or State or in the vicinity of the Petition Area, or whether there is a compelling State interest to support such reclassification if there are significant impacts associated with the loss of these lands.

Archaeological and Cultural Resources

Article XII, section 7, of the Hawaii State Constitution mandates that the State reaffirm and protect all rights, customarily and traditionally exercised for subsistence, cultural and religious purposes and possessed by ahupuaa tenants who are descendants of native Hawaiians who inhabited the Hawaiian Islands prior to 1778, subject to the right of the State to regulate such rights.

Moreover, the Hawaii Supreme Court's Ka Pa`akai O Ka `Aina decision required the Commission to enter specific findings and conclusions of law regarding "(1) the identity and scope of 'valued cultural, historical, or natural resources' in the petition area; (2) the extent to which those resources--including traditional and customary native Hawaiian rights--will be affected or impaired by the proposed action; and (3) the feasible action, if any, to be taken by the Commission to reasonable protect native Hawaiian rights if they are found to exist."

The AIS identified a total of five sites: two historic modified outcroppings, a traditional or historic boundary wall, an L-shaped military training feature, and a site consisting of three mounds that are traditional location markers. The SHPD accepted the AIS and recommended that the wall be bordered by a protective orange construction fencing prior to ground altering disturbance. The SHPD concluded that no historic properties would be affected by the Project.

The Commission should ensure that the evidentiary record in this proceeding is sufficient to determine whether it has fulfilled its obligation to reaffirm and protect all rights, customarily and traditionally exercised for subsistence, cultural and religious purposes and possessed by ahupuaa tenants who are descendants of native Hawaiians who inhabited the Hawaiian Islands prior to 1778.

Water Source

Article XI, section 1, of the Hawaii State Constitution mandates that the State shall conserve and protect Hawaii's natural beauty and all natural resources, including land, water, air, minerals, and energy sources, and shall promote the development and utilization of these resources in a manner consistent with their conservation and in furtherance of the self-sufficiency of the State. More specifically, Article XI, section 7, mandates that the State has an obligation to protect, control, and regulate the use of Hawaii's water resources for the benefit of its people.

In its review of the DEIS, the DWS noted that its current infrastructure could not meet the anticipated demand of the Project, and that a new source will be required to meet the cumulative demand. The DWS further commented that pump installation permits in the underlying Kamaole Aquifer far exceeded the sustainable yield set by the CWRM, and that if overall pumpage exceeded the sustainable yield, the CWRM may designate the aquifer and restrict issuance of well construction permits and water use.

Petitioner noted that it was willing to discuss alternatives to private water system development using the Kamaole Aquifer. Petitioner further pointed out that it will cooperate with the CWRM to determine available water use in the Kamaole Aquifer.

The CWRM has raised concerns that Petitioner's proposed use of the reverse osmosis process to obtain drinking water presents a risky proposition and could incur significant consequences for the County if the plant should cease operation. The CWRM also noted that an existing well in the Petition Area owned by Petitioner yields water that exceeded the Environmental Protection agency's secondary drinking water guideline that sets non-mandatory water quality standards for 15 contaminants. A well completion report for the well has not been submitted to date as required by its permit. The CWRM further pointed

out that all necessary permits will need to be secured for well construction and pump installation prior to any new well construction-related activities.

The Commission should ensure that the evidentiary record in this proceeding is sufficient to determine whether it has fulfilled its obligation to protect, control, and regulate the use of Hawaii's water resources for the benefit of its people.

Traffic Impacts

A TIAR must accurately depict the current and future traffic impacts to allow community leaders and decision-makers an opportunity to make informed land use decisions. At the present time, the revised TIAR is not acceptable to the DOT, which has recommended that another revised TIAR be submitted to address its concerns. These concerns include:

- The TIAR's internal capture rates and reductions appear high and should be further justified. The estimated trip generation volumes for the future committed developments in the Kihei area should be indicated in the traffic forecast analysis. Mode reduction for pedestrians and bicycles may not be allowed.
- The operating LOS with the Project should reflect mitigation of all transportation impacts to maintain the without Project scenario operating LOS and delay levels for the horizon years.
- Mitigation improvements should maintain or improve the highway's LOS to "D" or better. A LOS lower than the No Build Scenario is not acceptable to the DOT.
- The Liloa Drive Extension and Mauka Collector are not in the Statewide Transportation Improvement Program and will not be completed.
- Several of the turn movements at the highway intersection with Kaonoulu Street are projected to operate at LOS "F" during the p.m. peak hour, and several other highway intersection turning movements within the study area are projected to operate at LOS "E."

Petitioner should affirm its commitment to follow through with a revised TIAR that addresses all of the DOT's concerns. In addition, as part of its land use decision-making process under section 205-17, HRS, the Commission must consider the impact of a proposed reclassification on State funds and resources. The Commission should ensure that the evidentiary record in this proceeding is

sufficient to enable the Commission to determine such impact as it relates to the adequacy of the transportation infrastructure to serve the Project without adversely impacting the surrounding roadways.

Connectivity with the Future Kihei High School

Several reviewers of the Draft Environmental Impact Statement (“DEIS”) expressed concern about pedestrian connectivity between the Project and the future Kihei High School. Questions were raised regarding the timing, cost, and party(ies) that would be responsible for constructing and funding the connection. Petitioner noted that a direct route of access for bicycles and pedestrians was being considered in the Waipuilani Gulch area near Piilani Highway. However, the type and timing of such a connection had not yet been determined.

Petitioner should clarify what steps have been taken since the acceptance of the FEIS to resolve this matter with the DOE, the owner of the gulch, and other community stakeholders.

Incremental Districting

The Project is to be implemented in two phases: Phase 1 is anticipated to be completed in 2024, while Phase 2 is anticipated to be completed in 2034. Petitioner has filed an Incremental Development Plan pursuant to section 15-15-50(c)(19), HAR, as the Project will take more than ten years to develop. Despite the development phasing of the Project, Petitioner is requesting that the Commission reclassify the Petition Area in its entirety.

In the past, the Commission has approved boundary amendment petitions in which the proposed development timeframes exceeded ten years based on financing and infrastructure considerations. Should the Commission consider approval of this Petition, the Commission will need to determine whether the Project should be approved incrementally or in its entirety based on the evidentiary record established by Petitioner. Pursuant to section 15-15-78(b), HAR, in determining whether to reclassify the Petition Area on an incremental basis, the Commission may consider the projected population growth for the area, other lands reclassified in the area, and the desirability of directing growth and development to the area over a long-term basis.

Motion for Order Amending the Amended Findings of Fact, Conclusions of Law, and Decision and Order filed February 25, 1986

Petitioner has filed a Motion for Order Amending the Amended Findings of Fact, Conclusions of Law and Decision and Order filed February 25, 1986, to release the approximately 150.032-acre new First Increment currently in the State Land Use Urban District from said Amended D&O and establish appropriate findings of fact, conclusions of law, and decision and order that are specifically applicable to the Project and limited to the above area to reflect the expansion of the MRTTP and the additional uses proposed. The Commission previously granted similar Motions to Amend Findings of Fact, Conclusions of Law, and Decision and Order in Docket No. A99-728, where subdockets were created to reflect the interests of the State Department of Hawaiian Home Lands, the Salvation Army, and the University of Hawaii West Oahu in the Petition Area. All three entities had acquired ownership of parcels comprised by the Petition Area for their respective developments since the issuance of the original Decision and Order.

Because the Amended D&O ordered the incremental districting of lands (i.e., the new Second Increment) that are now part of the current Petition, any action on the Motion for Order will necessarily impact the current Petition. Staff therefore recommends that the Commission defer any action on the Motion for Order at this time until the Commission completes the evidentiary portion of the hearing on the Petition and determines, among other things, whether Petitioner, as the successor-in-interest to original Petitioner Maui Economic Development Board, Inc., has substantially completed the offsite and onsite improvements within the new First Increment and has satisfactorily complied with the conditions imposed in the Amended D&O (see footnote 2 on page 4).