

TO: LUC: Mr. Daniel E. Orodener – Executive Officer Email: luc@dbedt.hawaii.gov
Department of Business, Economic Development & Tourism
235 South Beretania Street, Room 406 PO Box 2359
Honolulu, Hawai'i 96804-2359

TO: APPLICANTS: Pi'ilani Promenade North, LLC and Pi'ilani Promenade South, LLC
c/o Sarofim Realty Advisors
Mr. Robert Poyner, Vice President (214.692.4227) Email: bpoyner@sraco.com
8115 Preston Road, Suite 400
Dallas, Texas 75225

TO: CONSULTANT: Chris Hart and Partners, Inc., Email: jhart@chpmaui.com
115 N. Market St., Wailuku, HI 96793.
Contact: Mr. Jordan E. Hart (808) 242-1955

TO: OFFICE OF ENVIRONMENTAL QUALITY CONTROL
Ms. Jessica Wooley, Director (808) 586-4185 Email: oeqchawaii@doh.hawaii.gov
Hawai'i Department of Health
235 South Beretania Street Room 702
Honolulu, HI 96813

FROM: Prof. Dick Mayer Email: dickmayer@earthlink.net
1111 Lower Kimo Dr. Kula, Maui, HI 96790

RE: Piilani Promenade – DRAFT-EIS

October 1, 2014

On July 15, 2014 I requested that that this “Draft-EIS for the Pi’ilani Promenade project” NOT be published in OEQC’s “The Environmental Notice” because the document is incomplete and inadequate, even as a “Draft” - EIS.

It was not and still is not “ripe for publication and public review”. Reviewers from both the general public and government agencies are unable to make the needed comments that would assist in preparing a Final-EIS.

The environmental review process has three stages:

1) A **Preparation Notice (EISPN)** is issued to solicit concerns and issues from government departments, communities, and the general public. **The responses received by the applicant must be responded to in the Draft-EIS.**

2) A **Draft-EIS** is prepared with the intention of giving reviewers a portrayal of the anticipated impacts, both beneficial and negative. It includes proposed mitigation measures to eliminate or reduce negative impacts. **The Draft-EIS has a 45 day comment period which is the last opportunity for the general public to make meaningful comments on the proposed project.**

3) A **Final-EIS** is developed that is submitted to the accepting agency. There is no public comment period; thus it is important to remember that this Draft-EIS is the last real opportunity for the general public to provide any input or feed-back..

In reviewing the Piilani Promenade DRAFT-EIS, several serious deficiencies have become apparent. These deficiencies have legal implications because they thwart the intent of HRS 343 to provide for the proper environmental review of projects such as this one.

1) Issues/questions raised during the EIS Preparation Notice (EISPN) process were incompletely addressed or not addressed at all. (Pages 2-5 below)

2) Many significant issues/impacts were relegated to a future date, which means that the government agencies and the general public will not be able to review these issues and will be unable to provide needed input into the review process. (Pages 6-7 below)

1) Issues/questions raised during the EIS Preparation Notice (EISPN) process were incompletely addressed or not addressed at all.

1.A) In response to the EISPN, the Hawaii State Office of Planning pointed out several areas of concern on PDF pp. 263-265. **Unfortunately, the Draft-EIS does NOT include adequate responses to these Office of Planning requests for information. Responses are necessary for a reviewer of the Draft-EIS to make relevant comments.**

“4. **Workforce Housing.** . . . “The Draft EIS should indicate whether additional subdivision actions are proposed for the Petition area.”

“5. **Project Schedule.** “The Draft EIS should include a project timetable for the development and infrastructure. The timetable should also include information on projections for the number of apartment units to be constructed per year and/or the floor area/square footage for each type of use, such as business, commercial, and light industrial.”

“6. **Sustainability and Resource Use** . . . “The Draft EIS should include a section that describes sustainable design and development measures the project will incorporate or consider in development of the project.” . . . “The Draft EIS should also quantify the current energy use and projected energy requirements of the project, and discuss measures to be taken to reduce energy demand, promote energy efficiency, and to promote use of alternative, renewable energy sources.”

“7. **Access easements.** A timeframe for obtaining the access easements and a discussion of progress in acquiring the easements should be provided.

“9. **Traffic.** “The Traffic Impact Analysis Report (TIAR) should include all residential units within the Petition area, including the residential units within the Honuaula lot.”

Where are these Hawaii State Office of Planning concerns addressed? I would like to be able to review the applicant’s responses.

1.B) (PDF page 273) Hawaii DOT-Highways requested the ability to review the TIAR and to be able submit comments. “We will provide our comments to the subject project when we review the revised Traffic Impact Analysis Report (TIAR). Please provide two copies of the revised TIAR to the Highways Division, Planning Branch and one copy to our Maui District Office.”

Those H-DOT comments are not available to reviewers of this draft EIS. The public and other government departments should be able to examine those important comments when reviewing the Draft EIS.

1.C) Mr. Kyle Ginoza, Director of the Maui County Department of Public Works, asked that the project: “Provide a 20 foot easement along Piilani Highway for future sewer transmission line.” The Draft-EIS refused to even respond to this County request.” (PDF page 317-318)

1.D) On this large 77 acre project there is only a two acre park being proposed. In October 2013, Mr. Glenn Correa, Maui County Parks Dept. Director, requested (PDF page 327) a meeting with the Parks Department to discuss park requirements. 8 months later Piilani Promenade planners have yet to meet and discuss those requirements which will be of great importance to the residents of both the proposed 226 units and the neighboring 250 unit Honuaula housing project. There will be many children in these multi-family units and the public should be able to review the arrangements that are agreed upon between the developer and the County Parks Department.

1.E) The Kihei Community Association responded to the EIS-Prep Notice with a number of very relevant questions (PDF Pages 336-344):

- a) View corridors to the mauka direction;
- b) Compliance with the Kihei-Makena Community Plan;
- c) Need to show bicycle and pedestrian connections on the property and to the rest of the community;
- d) Given the extensive number of wells already operating and planned in South Maui, what will be the effect (Quantities, salinity, etc.) on the water table of drawing a continual flow of irrigation water; and
- e) Since this project is providing absolutely no increase in potable water source development (a new water tank is NOT a source), what will be the effect on all of the future planned South Maui community if Piilani Promenade uses the limited supply of potable water from the State C.W.R.M.-managed Na Wai Eha water aquifer? Also what will be the effect on the water-short Central Maui?

The Draft-EIS does not answer these questions. In fact it does the opposite by stating that views will be blocked by buildings that are 60’ high!! There is no map/diagram showing the internal bike/pedestrian routes. It tries to get away from the water source development issue by touting its new water tank which is needed to service the project with a required fire flow capacity, but provides no new source supply.

1.F) Lila Sherman, Kihei resident, asks (PDF page 351) that the Draft-EIS should not just consider new jobs and revenues on the project site, but consider the NET effect on South Maui’s existing community.

The DRAFT-EIS never discusses this, even though the consultant (PDF Page 352) states, “The Draft EIS **will** evaluate potential impacts to the environment, including those identified in your letter”.

1.G) South Maui Citizens for Responsible Growth (SMCRG) raises many of the issues cited above, but also focuses on the economic issues. Unfortunately, the Piilani Promenade Draft-EIS does not provide an adequate discussion of the issues raised in the EIS-Preparation Notice process. For example:

The totality of information on economic effects is contained in two places: in the text of the report at PDF pages 62 - 64, which is superficial and does not answer any of the questions posed, and in the referenced Appendix "K," that likewise fails to address any of the questions posed in SMCRG's letter. The "Economic and Fiscal Impact Assessment" found at Appendix "K" is largely generic and mostly focused on marketing, not impact.

A limited discussion of impact is found on PDF pages 62 – 64 under the heading "Economic Impacts of Development," but it speaks selectively and narrowly to alleged good economic benefits that will flow from the development: short-term construction jobs and wages earned thereafter by employees of businesses located within the shopping centers.

Significantly, there is NO discussion of (1) impact on the community's desire to concentrate retail/commercial development in four areas *makai* of the highway to address sprawl and to create downtowns and a sense of place, (2) impact on or consistency with the community plan, or even (3) mention of likely impact on key pending projects like the Krausz Downtown Kihei project that conforms to the community plan and will create a real downtown corridor from Azeka Place at the intersection of South Kihei Road and Piikea, extending to the Piilani Shopping Center at the intersection of Piikea and Piilani Highway. The Krausz project was heard again by the Maui County Planning Commission in early August, and is celebrated by the community as a way to transform South Maui into a desirable place to live, work and recreate. Will the Piilani Promenade applicant's proposed development kill the Krausz project? Impact the Krausz development? Compete with the Krausz development, and if so, how and to what extent and at what price to the community?

Furthermore, the Public Sector Fiscal Analysis contained in Appendix K is totally flawed. It provides an estimate of the anticipated State and County revenues and grossly underestimates the concurrent State and County expenditures. Thus, Appendix K and the whole DEIS provides a most misleading conclusion, namely that this project will be highly beneficial to the Hawaii State and Maui County government finances.

For example, Appendix K (Pages 50-54 in Volume 3, PDF pages 89-93) deals with "Public Fiscal Costs/Benefits Associated with the Project". The Appendix touts the benefits to the government, "Maui County and the State of Hawaii will receive millions of dollars in tax receipts from the construction and "operation" of PP, from numerous revenue sources."

However, if the subsequent analysis had been done properly, it would show that State and County costs were higher than stated in Appendix K. Unfortunately, the economist who did the analysis did not multiply correctly!

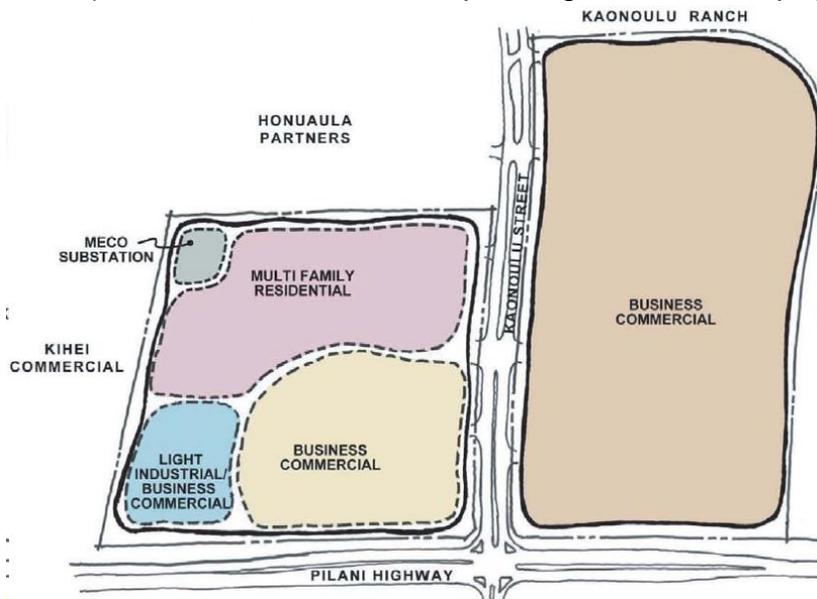
The economist claimed Appendix K (Pages 53 in Volume 3, PDF pages 92) that the County's costs would be **\$393,288 per year** on average, and the State's costs equal to **\$1.05 million** on an annual stabilized basis.

Actually, using the economist's own assumptions:

the County will have costs (607 people times \$3,239 per person) of **\$1,966,073 per year**; and the State will have costs (607 people times \$8,687 per person) of **\$5,273,009 per year**. (See Volume 3, Appendix K, PDF page 92-93)

1.H) Daniel Kanehele, Kihei resident, raises the issue that the proposed project is inconsistent with the community plan and zoning. **Only 5 acres** (out of the 88 acres) are indicated for “Light Industrial”. And even these 5 acres may become “business commercial”. **There may even be NO ‘light industrial’.**

(See the crude “bubble map” in Figure 3 on PDF page 244 in Volume 1)



Volume 1, figure 3, PDF p. 244

The LUC’s conditions for the 1995 Boundary Amendment was for an Urban land use designation with ‘light industrial’ in the community plan and in zoning. Maui County’s description of Light Industrial M-1 zoned land is unambiguous (Maui County Code 19.24). Even though some housing and commercial businesses is allowed in a light industrially zoned area, “The M-1 light industrial district is designed to contain **mostly** warehousing and distribution types of activity, and permits most compounding, assembly, or treatment of articles or materials with the exception of heavy manufacturing and processing of raw materials. Residential uses are excluded except for dwelling units located above or below the first floor and apartments.” (Ord. No. 3975, § 2, 2012) (**Maui County Code 19.24**)

The Draft-EIS totally refuses to address this issue which has been raised by many others.

1.I) Maui Tomorrow, (PDF page 380) reinforces the previous observation about the proposed Piilani Promenade project not meeting Maui County’s requirements: “Factors that trigger a need for a Community Plan Amendment for all parcels in the original 88-acre project area”

The Kihei-Makena Community Plan "Land Use and Policy" section has specific language referring to the Ka'ono'ulu parcel ("south of Ohukai and mauka of Piilani Highway") setting its character as primarily "light Industrial"

*k. Provide for limited expansion of light industrial services in the area south of Ohukai and mauka of Piilani Highway, . . . These areas **should limit retail business or commercial activities to the extent that they are accessory or provide service to the predominate light industrial use.**” (Emphasis added)*

The Draft EIS should acknowledge the need for a Community Plan Amendment since the project is now proposed as mostly commercial with a small amount of Light Industrial (exactly the opposite as is specified in the community plan) with 476 housing units that were not envisioned nor approved in the community plan. And those housing units are not all 'above or below the first floor'. They are on the first floor!

2) Many significant issues/impacts were relegated to a future date, which means that the government agencies/reviewers and the general public will not be able to review these issues/impacts and will be unable to provide needed input into the review process. They include:

2.A) There is no detailed diagram or map that will indicate the location of any roads, parking areas, recreational park, buildings, etc.

2.B) There is not even a single table, chart, or graph indicating the detailed acreage or square footage of what is being proposed.

2.C) There is no mention of the number of parking places, the location of parking, the proximity to the proposed housing, etc.

2.D) There remains a mystery as to what will happen to the "missing 60,000 gallons per day of potable water". The project is estimated to use about 170,000 GPD of potable water, and have only 110,000 GPD of wastewater.

2.E) Nowhere is it indicated that this project will have two malls on either side of the proposed Kihei-Upcountry highway. Furthermore, it is not mentioned that much of the square footage that was originally proposed in the "Outlet Mall" is now shifted to the south side of the new highway, making that mall very large. Will there be adequate parking? How will traffic be impacted?

2.F) The Draft-EIS states, volume 1 pp. 65-66 (PDF page 84 -85) that there will be a number of new offsite intersections and roads built. However, the Draft-EIS does not clarify who is responsible to pay and build those projects, and what are the consequences for Piilani Promenade if those projects are not built. Those projects are not likely to be completed in the near future, or even ever. And then what will happen?

2.G) Similarly, the Draft-EIS assumes. Volume 1, pages 68-69 (PDF page 87-88) that there will be a number of new offsite intersections and roads needed in the future. Again it is unclear if those projects are likely to be completed, and who is responsible to building those very expensive roads. What happens to the Piilani Promenade generated traffic if those other intersections and roads are not built?

2.H) To add to the transportation confusion, the Draft-EIS Volume 1 Page 69 (PDF page 88) states that a “Transportation Coordinator **should** be designated by the developer or property manager.” However, there is no commitment being made to do so, not even a short-term commitment.

2.I) Missing entirely is a timeline that would indicate the sequencing of the project. For example, it is important to know if the housing will be completed early-on, later as an after-thought, or not at all if for example the property is sold.

2.J) In trying to justify the housing component, the Draft-EIS claims that there is a need for thousands of additional units in South Maui, but the Draft-EIS has made no effort to calculate or list the many thousand already entitled units in the community.

2.K) The project intends to significantly re-route the main Maui County Department of Water Supply South Maui water-line. However, this Draft-EIS only states that the present waterline will be cut, a new alignment will be constructed, and additional pipe will be installed. The DEIS makes no effort to describe any impacts on South Maui water flow from the rerouting which includes several new 90 degree bends in the pipe, etc. Since this is a main County waterline, this rerouting itself will require some kind of an environmental assessment.

2.L) Most significantly, the Draft-EIS has given only half of the story with regard to retail impacts, jobs, and government revenues. If this project is built, it will have an enormous effect on the existing South Maui retail community, probably forcing many present retailers out of business; perhaps even forcing existing malls into bankruptcy. The Draft-EIS should estimate the **NET CHANGES** in a) retail space, b) jobs, c) State excise tax revenues, and d) Maui County property tax revenues. Without those estimates, the present Draft-EIS is a developer’s marketing tool, and the document cannot be properly analyzed.

A FINAL-EIS based on this version of the DRAFT-EIS denies reviewers a legitimate opportunity to give substantive and complete input into the HRS 343 environmental review process.

Therefore, because of the unanswered questions from the EISPN process and the many omissions, I ask the LUC and the OEQC to deny this version of the Draft-EIS and await a suitable Draft-EIS document that will form a proper basis for a review by government agencies, our communities and the general public.

Mahalo for considering these many concerns, Prof. Dick Mayer