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RE: LUC Docket No. A19-809 Pulama Lana'i, 2nd Draft Environmental Assessment (DEA)
Proposed Miki Basin Industrial Park, Tax Map Key No. (2)4-9-002:061 (por)

Mr. Orodener:

Please accept the following questions that the above-referenced draft EA should address:

Ref. 29: The applicant states that “Full buildout of the proposed 200-acre Miki Basin Industrial Park will be developed incrementally over a period of 20 years. The first half of the potential development timeline includes the relocation of the existing concrete recycling and rock crushing operation and existing asphalt plant, as well as the construction of renewable energy projects. The new industrial uses will be implemented throughout the duration of the project. Over the initial 10-year development period, the estimated development cost for the Miki Basin Industrial Park is \$78.8 million.”

- *Please confirm the concrete recycling, rock crushing and asphalt plants are each owned/operated by the applicant, and explain why they are being relocated from their current locations.*
- *Please provide an estimate of how much of the initial \$78.8 million development cost will be borne by new industrial users.*
- *Please indicate what plans exist, if any, for the buildings that currently house the industrial uses planned for relocation.*

Ref. 29: The applicant states that “Full buildout of the proposed 200-acre Miki Basin Industrial Park will be developed incrementally over a period of 20 years,” but (**Ref. 134**) the LUC “requires that projects seeking reclassification be substantially completed within ten years or seek incremental approvals, pursuant to HAR § 15-15-50.”

- *Please identify what steps the applicant will have to take and approvals required if the development extends beyond 10 years.*

Ref. 43: The AIS recommended that a data recovery plan be developed for Sites 50-40-98-1980 and 50-40-98-1981, and the plan be implemented prior to proposed construction activities within the parcel.

- *Please indicate when this data recovery plan will be implemented.*

Ref. 46: “There are no major sources of air pollution in the immediate vicinity and vehicular traffic volumes are low.”

- *Please provide any information available on pollution emanating from the MECO power plant and the Lanai airport.*

Ref. 46: “Appropriate BMPs, such as frequent watering of exposed surfaces and regular maintenance of construction equipment, will be utilized to minimize air quality impacts associated with project construction.”

Ref. 47: “Dust control would be handled by use of regular wetting of the crushed concrete and rock, and materials storage areas with a sufficient amount of water to saturate the area without causing runoff. The water for the water truck will be supplied by the Lanai Water Company.”

- *Please confirm that the water use referenced above will be metered and will exclusively use brackish water. If not, please explain why not.*

Ref. 53: The applicant “will provide or finance its fair share of infrastructure and facilities to support the project.

- *How will applicant’s “fair share” of infrastructure and facility costs be determined, and who or what will provide the balance of the infrastructure and facilities support costs? How does applicant envision apportioning these costs?*

Ref. 56: A large portion of the Industrial Park, “127 acres, is proposed for renewable energy uses such as photovoltaic plus battery energy storage, which would not be a generator of new solid waste.”

- *Please confirm that at this time the 127 acres are designated solely for solar/storage.*
- *If not, please identify any additional renewable energy sources planned or anticipated.*
- *Please clarify if the applicant has any role in this process, aside from acting as landlord to a potential developer.*
- *If the PUC fails to approve a solar+ storage project submitted in Docket 2015-0389, does the applicant have other option(s) for renewables in this space? If not, how will the acres be used?*

Ref. 71: “It is expected that there will be a need for industrial zoned lands on the island of Lanai, considering there is none available presently.”

The 1998 Lānaʻi Community Plan included 20 acres to be set aside at Miki Basin for industrial use so both the company’s (Castle & Cooke at that time) as well as individual residents’ industrial uses could be relocated out of the city, and in September, 2000, 13.9 acres of former Ag land was conditionally rezoned for this purpose by Ordinance No. 2895; 10 conditions were attached, the first was that “50% of the land zoned M-2 Heavy Industrial shall be offered in fee.”

- *Please explain why this has not occurred, why the 20 industrial acres identified for fee simple sale 21 years ago have not yet been offered for sale, and detail where it is in the process of being offered.*

- *In light of the delay in addressing the claimed industrial “needs,” which were acknowledged 21 years ago and again in this draft EA, please justify why more acreage is needed at this time, aside from the 127 acres designated for renewables.*
- *The applicant stated at the 12.15.2021 Lānaʻi Planning Commission meeting that the 20 acres subject to the condominium regime have been rezoned from ag to industrial. Please confirm the date this rezoning was effective.*

Ref. 178: “This project [the Miki Basin 20-acre condominium development] is anticipated to be subdivided into 31 lots in accordance with County requirements, but the Land Court has yet to approve the subdivision. A petition to the Land Court for approval was submitted in 2018, but which was later amended to include the Hawaii Department of Transportation due to a public road over an easement which runs in part through a portion of the Lanai Airport property. The petition is under review by a Deputy Attorney General.” (Market Assessment, dated September, 2021.)

- *Please confirm whether the petition is still under review and explain why the review process has not been completed.*

Ref. 84: “The project strengthens the state’s economy through [] long-term opportunities in industrial and renewable energy industries.”

- *Please detail the long-term opportunities envisioned to be provided by renewable energy industries.*

Ref. 86: “While the underlying lands are designated ‘Agricultural’ by the State Land Use Commission and County zoning, the Community Plan’s ‘Light Industrial’ and ‘Heavy Industrial’ land use designations recognize the need to provide for these critical economic development uses which may include relocation of uses from Lanai City.”

Ref. 112-113: “Construction of the industrial park will allow existing industrial facilities currently scattered in business and residential areas in Lanaʻi City to relocate to more appropriate locations having the infrastructure and buffers necessary for industrial uses.”

- *Please identify the existing “scattered” industrial uses referenced above that are envisioned to be relocated, both those that are operated or controlled by the applicant and those that are not.*

Ref. 98: “It is noted that certain uses, including asphalt plant and rock crushing operations, are identified as special uses by the zoning ordinance and the applicable County Special Use Permit will be obtained.”

Ref. 437: “Pulama Lanaʻi has submitted a Special Use Permit to the County of Maui Planning Department for the relocation of the interim industrial uses.”

- *Please confirm whether the CUP referenced above is the one applied for on 8/16/2021.*

Ref. 115: “The proposed Miki Basin Industrial Park will include 127 acres for renewable energy projects (e.g., photovoltaic plus battery energy storage), 20 acres for infrastructure purposes (10 percent of the project area which will be used for roads, common areas, and other related uses), 12.5 acres for the relocation of an existing asphalt plant, and 26 acres for new industrial uses. The remaining 14.5 acres will be used for the relocation of an existing concrete recycling and rock crushing operation, and for the materials storage and stockpiling of aggregate and construction materials.”

- *Please confirm it is the applicant's intent that approximately 63% of the 200 acres will be dedicated to the planned solar+ storage, 10% will be dedicated to supporting infrastructure, 13% is made available to new industrial uses, and applicant is reserving the balance, 27 acres or 13.5%, for its own use.*

Ref. 116: "The proposed action contemplated in the November 2019 Draft EA was 100 acres of light industrial uses and 100 acres of heavy industrial uses. Since that time, additional planning has led to the refinement of the uses within the Miki Basin Industrial Park."

- *Please discuss in detail the "additional planning" that occurred.*

Ref. 129: "A prior [LUC] docket, A89-649 Manele Golf Course, required under Condition 1, that Petitioner convey 25 acres of lands to the State of Hawai'i: a proposed 15-acre industrial parcel and a proposed 10-acre commercial parcel. The Assessment should discuss the location of these lands with respect to the proposed district boundary amendment; including whether these lands have been conveyed to the State and how any proposed projects on those lands will interact with [the applicant's] proposed development." (LUC Ltr., 11/19/2018)

- *Please explain why the above comment from the LUC was not addressed in the EA and provide the discussion requested.*
- *In addition, please provide an update of the progress of these commitments to transfer the 15-acre and 10-acre parcels.*

Ref. 134: "The EA/EIS and/or petitioner should provide a schedule of development for each phase of the total project and a map showing the location and timing of each phase or increment of development. Regarding infrastructure (e.g., highway improvements), the petitioner should discuss how improvements will be completed to ensure that mitigation coincides with the impact created by the proposed project." (SOP Ltr. 11/2018.)

- *Please indicate where in the draft EA the above requested phase schedule and maps appear.*
- *If they have not been prepared, please provide, indicating what physical portions of the 200 acres are envisioned to be part of the first 10-year phase of development.*

Ref. 135: "Glint/Glare Hazards, Airport Airspace analysis (iOE/AAA), Combined Federal Regulation CFR Part 77 (e-CFR format) Current as of December 15, 2015."

- *Please discuss what measures will be taken to avoid hazardous glare that will emanate from the proposed solar plus storage acreage, and identify which party will be responsible for taking such measures.*

Ref. 161: "We also recommend a discussion of the consistency of this current proposal for the Miki Basin Industrial Park with the projected buildout described in the 2011 Lanai Water Use and Development Plan." (CWRM Ltr., 12/17/2019.)

- *Please identify where in the draft EA this discussion appears.*
- *If it is not provided, please provide.*

Ref. 173: “Regarding market feasibility, commitments are in place for 174 acres (87%) of the Project area. An additional 7.6 acres for ‘typical industrial activities’ will increase the projected demand to 181.6 acres (91%) by 2030.”

- *Please specifically identify who or what entities have made commitments for the 174 acres.*

Ref. 180: “A pent-up demand for industrial land and industrial space to accommodate ‘typical industrial activities’ is readily apparent on Lanai. Many businesses in Lanai City are operated from homes, partly because there are no industrial parks on Lanai that serve small scale tenants. Yards and rooms are used for operations and to store equipment and supplies.”

- *Please specifically identify which businesses are referenced above to support the claim of “pent-up demand,” and explain the cost structure that will allow these small-scale tenants to be able to afford to relocate to the industrial park.*

Ref. 180: “Fruit and vegetable processing, possibly with a shared commercial kitchen.”

- *The above is listed as “likely” to develop at Miki. Please explain how this would differ from, and would not duplicate, what Sensei Farms is currently offering.*

Ref. 208: “A special effort was made to look for evidence indicating the presence of ope‘ape‘a, or Hawaiian hoary bat, by conducting an evening survey at two (2) locations within the project area.”

- *Please provide details of this survey, was it a one-time effort? Over what period of time and on what dates? At which locations?*

Ref. 438: On 7/15/1994 the former landowner signed a lease with the state for a 100-acre agricultural park, to be located near the proposed industrial park, that provides for an average of .20 MGD of water.¹ On 6/4/2018, applicant filed a compliance update with the LUC indicating that the land had been leased to the state, <https://luc.hawaii.gov/wp-content/uploads/2018/06/LUC-Manele-2017-Annual-Report-Docket-A89-649.pdf>, and on 3/5/ 2021, applicant filed a compliance update marking this condition as “completed.” <https://luc.hawaii.gov/wp-content/uploads/2021/03/A89-649-Annual-Report-2020.pdf>²

Applicant’s consultant now states the “Proposed water use for the full buildout of the industrial Park is based on the existing demands on [PWS 238] and potential development plans,” and is expected to be “592,625 gpd.”

- *Please clarify the status of 100-acre ag park lease.*

¹ The lease was later amended to insure “additional water will be allocated to the agricultural park on the property in the future[,]” and the Lāna‘i Water Company, which is owned, operated and controlled by applicant, acknowledged that a reservation of 500,000 GPD “for the development of an agricultural park ... is in the Water Use and Development Plan” <https://lanaiwatercompany.com/wp-content/uploads/2017/01/WUDP-Provisions-Action-Plan-1-1-17-Final-2.pdf>.

² On 11/24/2021, however, DLNR Director Suzanne Case sent applicant a letter stating, among other things, that “to date, an agricultural park has not been established” and requesting a transfer of the lease to the COM pursuant to Resolution 21-54 of the Maui County Council, adopted 3/19/2021.

- *Please confirm whether the above estimate of existing and potential development demands on PWS 238 includes the water reserved for the 100-acre ag park.*
- *Using applicable county water standards, please confirm whether the above estimate includes water use for the 10-acre commercial parcel and the 15-acre light industrial parcel.*
- *If it does not include the above, please revise accordingly, and identify the source(s).*
- *Please specifically identify any additional projects noted in the Community Plan that will draw resource from PWS 237 or PWS 238 and how much water resource will be required.*

Ref. 438: The Akinaka Master Water Plan details improvements that will be required to support full buildout of the proposed industrial park.

- *Please provide calculations confirming that water required by 1) the lease agreement for the 100-acre ag park/500,000 GPD reservation for ag activities; 2) the 10-acre commercial parcel; and 3) the 15-acre light industrial parcel can also be accommodated by these improvements.*

Ref. 456 and 464: Applicant’s consultants state, “The Akinaka report concluded that new well supply for the Manele Bay System of at least 426 gallons per minute (GPM) capacity will be required” and have identified a preferred site for required new water source, in the Leeward aquifer, where all existing wells, but one, are currently located.

- *Did these assessments and this recommendation incorporate the additional water demand needed for the 100-acre ag park and/or the 500,000 GPD referenced in the WUDP, and the 25 acres for commercial and light industrial use? If so, where in the EA do the supporting calculations appear?*
- *If it does not, please provide supporting calculations, and revise or amend.*
- *Once the missing calculations are incorporated, please confirm, with numerical support, a justification that developing a new water resource from the Windward aquifer is not needed.*

Thank you for your consideration of the above.

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