

CHRIS
HART
& PARTNERS, INC.

June 13, 2017

Mr. Dick Mayer
1111 Lower Kimo Dr.
Kula, HI 96790

Dear Mr. Mayer,

RE: Comments on the Draft Environmental Impact Statement (DEIS) for the Pi'ilani Promenade, located in Kihei, Maui, Hawaii at TMKs: (2) 3-9-001:016,170-174.

Thank you for your comment letter of October 1, 2014. Below are the responses to your comments.

COMMENT 1:

On July 15, 2014 I requested that that this "Draft-EIS for the Pi'ilani Promenade project" NOT be published in OEQC's "The Environmental Notice" because the document is incomplete and inadequate, even as a "Draft" - EIS.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

Response 1: The Applicant has consulted with the State Land Use Commission and prepared the Draft EIS in accordance with HRS Chapter 343. The Draft EIS was found by the Accepting Authority to be complete and was published on August 23, 2014. A meeting with you and the Applicant's representative and technical consultants did occur on October 30,

2014 to further discuss your concerns and receive input as to how the document could be improved.

The Final EIS will be published in the Environmental Notice and the report document will be made available to the public online at the OEQC website.

COMMENT 2:

In reviewing the Pi'ilani 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.

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."

Response 2: The Applicant has sought to present information on all anticipated impacts resulting from the project considered in accordance with the requirements of HRS Chapter 343 and HAR Title 11, Chapter 200. As presently proposed, the Project will not require additional subdivision action for the Petition area.

The Applicant's responses to the Office of State Planning comment letter on the EISPN were available in Appendix A of the DEIS. The Applicant's responses to the Office of State Planning comments on the DEIS are available in the FEIS in Appendix P.

COMMENT 3:

"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."

Response 3: In response to comments regarding the proposed project schedule, the FEIS Section II. F. (Development Phasing) has been revised to include the following language:

Development Phasing

It is anticipated that the Pi'ilani Promenade project will be constructed in two (2) three (3) phases upon receipt of LUC approval and as market conditions warrant.

Phase one is the Pi'ilani Promenade North development will include development of the northern developable lot (Parcel 16) which will include 100,000 square feet of business commercial uses, 226 rental apartment uses and 57,558 square feet of light industrial use.

Phase one (1) includes over \$22 million dollars in infrastructure improvements including construction of the future Kihei Upcountry Highway (KUH) through the project area, (Parcel 172) and improving the intersection of Kaonoulu and Pi'ilani Highway which provides access to the project. Phase one also includes construction of the 1.0 MG drinking water tank, the relocation of the Maui County high pressure drinking water line, the irrigation (non-drinking water) well with pump and related utility and offsite easements.

Phase two (2) is the development of the northern developable lot (Parcel 16) which will include approximately 100,000 square feet of business commercial uses, 226 rental apartment uses and approximately 58,000 square feet of light industrial use development under roof on 5 acres of land.

Phase two three (3) is the development of the 2 southern parcels (Parcels 170 and 171) that will consist of 430,000 square feet of business commercial.

It is anticipated that all of the necessary entitlements to fully implement the Pi'ilani Promenade will be obtained by in the second quarter of 2016/2017 and construction for Phase 1 and 2 is expected to be completed in 2018. Phase 2 and Phase 3 developments are market driven and the exact timing is unknown, however estimated full buildout of the proposed project by 2031 - 2032.

As requested by the LUC and the Office of Planning, Table 1.a below provides an estimated timeline for development and estimated construction cost for the proposed project. The estimated construction costs will be privately paid for by the Applicant, no public funds are being used to construct the proposed project.

Table No. 1a
 Development Phasing Timeline with Cost Estimate

<u>Project</u>	<u>Estimated Cost</u>	<u>Estimated Start Date</u>	<u>Estimated Completion Date</u>
<u>Phase 1</u>			
<u>Site work Improvements</u>	<u>\$1,256,710.00</u>	<u>Upon approval of the Motion to Amend by the LUC</u>	<u>16 months after approval of the Motion to Amend by the LUC</u>
<u>East Kaonoulu Street Improvements</u>	<u>\$2,299,046.00</u>	<u>"</u>	<u>"</u>
<u>Pi'ilani Highway Widening Improvements</u>	<u>\$1,411,106.00</u>	<u>"</u>	<u>"</u>

<u>Project</u>	<u>Estimated Cost</u>	<u>Estimated Start Date</u>	<u>Estimated Completion Date</u>
Access Road and Swales	\$1,771,330.00	"	"
Sewer System/Revisions	\$712,592.00	"	"
Storm Drainage System/Revisions	\$2,895,052.00	"	"
Onsite Water System	\$834,700.00	"	"
12" Offsite Water/1MG Water Tank	\$4,802,784.00	"	"
36" Water Main/Water/Misc. Revisions	\$2,444,940.00	"	"
Electrical	\$885,566.00	"	"
Traffic Signal Improvements	\$643,000.00	"	"
Landscape/Irrigation	\$1,202,000.00	"	"
CRM Walls	\$900,000.00	"	"
<u>Phase 2</u>			
<u>Light Industrial</u>	<u>\$13,000,000</u>	<u>Prior to completion of Phase 1</u>	<u>15-16 months after commencing work</u>
<u>Business/Commercial</u>	<u>\$27,500,000</u>	"	"
<u>Apartments</u>	<u>\$33,500,000</u>	"	<u>12 to 13 months after commencing work</u>
<u>Phase 3</u>			
<u>Business/Commercial</u>	<u>\$118,250,000</u>	<u>Prior to completion of Phase 2, this portion of development is market driven</u>	<u>15-16 months after commencing work</u>

COMMENT 4:

"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."

Response 4: As mentioned in section III. D. 5 (Electrical) the FEIS, the project Civil Engineer has calculated the projected energy demand of 6,250 kVA for the proposed project.

In response to comments regarding sustainability the FEIS Section IV. C. (Hawaii State Plan) has been revised to include the following language:

<u>Chapter 226-108 Sustainability priority.</u>			
<u>Priority guidelines to promote sustainability:</u>			
<u>Priority Guidelines:</u>	<u>S</u>	<u>N</u> <u>L</u> <u>S</u>	<u>N</u> <u>L</u> <u>A</u>
(1) <u>Encouraging balanced economic, social, community, and environmental priorities;</u>	<u>✓</u>		
(2) <u>Encourage planning that respects and promotes living within the natural resources and limits of the State;</u>	<u>✓</u>		
(3) <u>Promote a diversified and dynamic economy;</u>	<u>✓</u>		
(4) <u>Encouraging respect for the host culture;</u>	<u>✓</u>		
(5) <u>Promoting decisions based on meeting the needs of the present without compromising the needs of future generations;</u>	<u>✓</u>		
(6) <u>Considering the principles of the ahupua'a system; and</u>	<u>✓</u>		
(7) <u>Emphasizing that everyone, including individuals, families, communities, businesses, and government, has the responsibility for achieving a sustainable Hawaii.</u>	<u>✓</u>		
<u>Analysis: The Project will provide greatly needed affordable and market rate rental units in Kihei. Providing Affordable Housing for Maui residents is priority of Maui Island Plan, Kihei -Makena Community Plan and the Department of Housing and Human Concern. The Project also supports Hawaii State Plan Chapter 226, HRS 226-106 "Affordable Housing" which sets priority guidelines for the provision of affordable housing in the State of Hawaii.</u>			
<u>The Project is a planned urban infill project that will complement the light industrial development to the north and the proposed Kihei High School to the south, and is an appropriate location for urban development. The Project is approximately 0.5 miles from commercial services located at the Pi'ilani Shopping Center and 0.4 miles from the commercial services located at Ohukai Road. The Project site is approximately 1 mile from the public beach access along South Kihei Road.</u>			

The proposed mixed use development will provide light industrial, commercial and rental housing opportunities for workforce residents. The allowable mix of permitted uses on the Project site, including rental opportunities support a dynamic economy by providing additional light industrial, retail, commercial and housing options to Maui's workforce residents and visitors.

The Applicant has prepared a revised Cultural Impact Assessment to study and document cultural practices which may affect the project site. It was determined that the proposed project would not have an adverse impact on any cultural activities or significant historic sites. In addition an Archaeological Inventory was completed in 2015 as part of the Final EIS and the State Department of Land and Natural Resources, State Historic Preservation Division approved the AIS report in January 2016.

The Project can be described as urban infill that will complete an existing neighborhood and provide needed affordable rental units in the near future. The Applicant anticipates acceptance of the FEIS, which will document that the Project will not compromise the needs of future generations.

In the context of the Ahupua'a system, the Project will seek to improve the quality of storm water runoff as it travels towards the ocean through the implementation of the onsite drainage system which will provide storage for the increase in stormwater runoff in compliance with Chapter 4. "Rules for the Design of Storm Drainage Facilities in the County of Maui" and Chapter 15-11 Rules for the Design of Storm Water Treatment Best Management Practices." The makai Project site boundary fronts Pi'ilani Highway and is approximately 0.5 miles from the ocean.

The Applicant is providing the Project residents with a 2-acre park space in front of the apartment development to promote recreation opportunities. In addition, sidewalks and bike paths will be incorporated into the site plan to promote no-vehicular circulation on the site.

The Applicant recognizes the importance of sustainability in planning, and in response to comments on the DEIS, the Project incorporates sustainability design elements such as solar photovoltaic panels for common areas and the vegetated detention basins located on site to intercept stormwater runoff closer to the source. The Applicant is exploring other renewable energy technologies and conservation measures to promote sustainability. Solar hot water heaters will be utilized throughout the residential portion of the Project. Occupants of the Pi'ilani Promenade will be encouraged to install photovoltaic energy systems where appropriate and feasible.

COMMENT 5:

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

Response 5: In response to comments regarding the proposed project schedule, the FEIS section II. E. (Proposed Project Description) has been revised to include the following language:

All known easements necessary for the on and off site improvements needed for the Project have been secured and finalized through the large lot subdivision process.

COMMENT 6:

"9. Traffic. The Traffic Impact Analysis Report (TIAR) should include all residential units within the Petition area, including the residential units within the Honua'ula lot."

Response 6: In response to comments to include all residential units within the Petition area, the FEIS section III. D. 1. (Roadways) have been revised to include the following language:

The Project and the Honua'ula Affordable Housing Project are two separate projects proposed by two different owners. However, the two project sites are both part of the Petition Area, until the LUC approves the Motion to Amend and the 1995 Decision and Order is amended and the Petition Area is bifurcated. Further, the timing of construction may be somewhat similar. For these reasons, explanation is offered.

This TIAR update treats Honua'ula Affordable Housing Project in the following way:

- Trip generation rates were calculated using trip generation equations for Apartment (125units) and Residential Condominium/Townhouse (125 units) from the *Trip Generation, 8th Edition* (ITE, 2008). The results in Table 10 show that during the AM peak hour, 103outbound trips are generated and 24 inbound for a total of 127 trips. The PM peak hour has slightly more traffic generated, 104 in and 54 out movements for a total of 158 trips. Saturday peak hour has 78 in movements and 71 out for a total of 149 trips.

- Access for the Honua'ula Affordable Housing project is through a new mauka leg East Kaonoulu Street and assigned to that roadway. This roadway extension will be completed as part of Pi'ilani Promenade. The traffic analysis for **With Project** includes both projects using East Kaonoulu Street. See Figures 14 to 16 in the TIAR update for project related trips associated with Pi'ilani Promenade and see Figure 17 in the TIAR update for project related trips associated with Honua'ula Affordable Housing Project. (See: Appendix M-1, "Traffic Impact Analysis Report Update dated December 20, 2016").

- In order to isolate the effects of Pi'ilani Promenade, Honua'ula Affordable Housing Project is treated as part of background traffic in the Without Project because East

Kaonoulu Street is not assumed to be completed under this condition, traffic associated with Honua'ula Affordable Housing Project is assigned to use a possible temporary driveway access off of Ohukai Road. Ohukai Road temporary access is subsequently closed when East Kaonoulu Street is constructed and opened. See Figures 18 to 20 in the TIAR update.

The Honua'ula Affordable Housing Project is not part of the Pi'ilani Promenade Project, nor is it considered a related background project, because it cannot be constructed until after East Kaonoulu Road is completed, which will be done as part of the Pi'ilani Promenade project. Until this roadway is completed, there is no roadway to assign Honua'ula trips. However, if completed, Honua'ula Affordable Housing Project traffic would impact traffic along East Kaonoulu Road. Based on the LOS analysis, and the TIAR update does not recommend concludes that no additional mitigation is required to accommodate traffic generated by the Honua'ula Affordable Housing project.

COMMENT 7:

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

Response 7: The Applicant's responses to the Office of State Planning comment letter on the EISPN were available in Appendix A of the DEIS. The Applicant's responses to the Office of State Planning comments on the DEIS are available in the FEIS in Appendix P.

COMMENT 8:

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.

Response 8: The State DOT comment letter on the EISPN acknowledges that the Department will be a commenting agency on the DEIS. State DOT comments on the DEIS were issued on October 6, 2014 and are included in the FEIS, Appendix P.

COMMENT 9:

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

Response 9: In response to comments regarding the 20 foot easement, the FEIS Section III. D. 4. (Wastewater) has been revised to include the following language:

In a comment letter from the Department of Environmental Management, Wastewater Division, the County is requesting that the Applicant provide a 10,000 square foot lot for a future wastewater pump station and associated easement for transmission line that would service future development in north-central Kihei (See: Appendix A "EISPN Letters with Responses"). The Applicant is coordinating with the Department on the optimal location to provide for the 10,000 square foot lot and associated 20-foot wide easement.

At the time of publication of this FEIS, the Department of Environmental Management, Wastewater Division has not prepared designs for the sewer line or pump station and has not included the future sewer line or pump station in any capital improvement program (CIP) budget request for design. The Applicant will continue to cooperate with the Department of Environmental Management, Wastewater Division to set aside an area in the Project site for the pump station and sewer line.

COMMENT 10:

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 Pi'ilani 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.

Response 10: Parks Assessment requirements are triggered by the development of Residential Units. The Project will comply with the County of Maui's Parks Assessment Requirements. In response to comments regarding the parks requirement, the FEIS Section III. C. 1. (Recreational Facilities) has been revised to include the following language:

The Applicant met with the County Department of Parks & Recreation on March 13, 2015 to discuss how the parks and playgrounds assessment requirements for the proposed Project can be satisfied in accordance with MCC Section 18.16.320. As a result of the meeting, the Applicant is proposing the following general changes to the on-site park space:

1. Inclusion of active play space and facilities within the park areas;
2. Inclusion of parking for park users; and

3. Possible reconfiguration of the park acreage to create a more contiguous park area.

Additionally, improvements are being made to accommodate pedestrian and bicycle travel adjacent to and within the Project. Recognizing that the availability of existing off-street pedestrian and bike pathways is limited in south Maui, and that there is a need for projects to offer options other than vehicular access, the Pi'ilani Promenade includes a pedestrian and bike pathway system adjacent to and within the Project site, as shown in Figure 15 "Conceptual Circulation Plan". The red bike lane shown in Figure 15 is located within the Pi'ilani Highway right of way. The blue system shown provides for a series of pedestrian and bike pathways with the Project site and East Kaonoulu Road allowing for safe off street interconnectivity for the public using the various components of the land plan and providing for future connectivity to the areas north, south and east of the Project site.

COMMENT 11:

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 Pi'ilani 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.

Response 11: In response to comments regarding the parks requirement, the FEIS Section III. A. 9. (Visual Resources) has been revised to include the following language:

A view analysis was prepared by Architects Orange and depicts 4 views from Pi'ilani Highway looking across the Project site towards Haleakala. (See: Figure 16 "View Analysis"). The view analysis used the following methodology:

1. Photographs used in the analysis are approximately 5 feet 8 inches above street level on the makai side of Pi'ilani Highway, across from the Project site.
2. The estimated future finish grade is based upon preliminary calculations made by

the Project civil engineer, Warren S. Unemori Engineering, Inc.

3. The assumed 60-foot building height is based on the current County zoning code, which permits for 60-foot maximum building heights in an M-1 Zoning district. These 60-foot buildings will be set back 500 feet from the Project site boundary along Pi'ilani Highway.
4. The estimated 30-foot building height is based upon the height of mid-sized commercial buildings that may be built through-out the Project site.

As shown in the view analysis, the maximum allowable building height does not impact the public view of Pu'u o Kali or the summit of Haleakala. The extension of Kaonoulu Road will provide views towards Pu'u o Kali and the summit of Haleakala, but is not considered a major view corridor.

The proposed apartments will be a maximum of three (3) stories tall, up to a maximum allowable height of 60 feet provided for in the M-1 zoning district. The light industrial and commercial buildings are permitted to have a maximum height of 60 feet, however, the estimated height of future buildings is unknown at this time.

The Applicant is proposing to develop the Project with the following development standards as mitigation measures to limit the impacts to visual resources.

1. Any buildings at the maximum height allowed by the then-current County zoning code will be set back at least 500 feet from the Project site boundary along Pi'ilani Highway.
2. Any building above 30 feet in height will be set back at least 100 feet from the western boundary of the Project site.
3. The cumulative linear frontage of buildings built within the 100 foot set back from the western boundary of the Project site will not exceed 35% of the total frontage of the western boundary of the Project site.

The proposed project will transform the character of the site from its existing large lot-only approved design vacant land to a mixed-used development consisting of retail, office, business/commercial, light industrial, multi-family (226 apartment units), and public/quasi-public (park, MECO substation) uses, as well as with pedestrian and bicycle networks, an approximately 2-acre park and landscape plantings. The project will set forth building height limits and setbacks in order to help maintain views towards the summit of Haleakala and the Pacific Ocean. In addition the open space areas incorporated into the Pi'ilani Promenade will provide view corridors in between buildings toward the Pacific Ocean and Haleakala.

b) Compliance with KMCP plan;

Response: The first page of substantive text in the 1998 Kihei Makena Community Plan it is stated:

"A. Purpose of the Kihei-Makena Community Plan

The Kihei-Makena Community Plan, one of nine (9) community plans for Maui County, reflects current and anticipated conditions in the Kihei-Makena region and advances planning goals, objectives, policies, and implementation **considerations to guide decision-making in the region through the year 2010**. The Kihei-Makena Community Plan provides **specific recommendations** to address the goals, objectives, and policies contained in the General Plan, while recognizing the values and unique attributes of the Kihei-Makena area in order to enhance the region's overall living environment.

... Implementation of the goals, objectives and policies contained in the Community Plan is defined through specific implementing actions, also set forth in each community plan. **Implementing actions as well as broader policy recommendations are effectuated through various processes, including zoning, the capital improvements program, and the County budgeting process."** (emphasis added)

Following the adoption of the KMCP in 1998, the Maui County Council Zoned the Project site Light Industrial without restriction of the uses permitted by Maui County Code Chapter 19.24 M-1 Light Industrial District in 1999.

In response to comments regarding the parks requirement, the FEIS Section V. D. 2. (Compliance with the Kihei-Makena Community Plan) has been revised to include the following language:

The subject property is located in North Kihei, south of Ohukai Road, and mauka of Pi'ilani Highway. This area was designated in the KMCP for light industrial use in order to encourage urban expansion in the area mauka of Pi'ilani Highway (goal k). Goal k of the KMCP seeks to "[p]rovide for limited expansion of light industrial services in the area south of Ohukai and mauka of Pi'ilani 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." The original conceptual plan of 123 light industrial lots, which fit squarely within that designation, is no longer desirable or economically viable. The KMCP specifically states that it is intended to "reflect current and anticipated conditions in the Kihei-Makena region" and is intended to guide decision making through the year 2010. See KMCP at 3. Since the KMCP was adopted in 1998, the proposed planning for that area has adjusted. Other developments south of Ohukai and mauka of Pi'ilani are predominantly retail, with only some instances of true light industrial uses. The community planning process has evolved since 1998, and the current Maui Island Plan indicates that the Pi'ilani Promenade is located within the Urban Growth

Boundary, and is surrounded by areas currently not zoned for urbanization, but designated as "planned growth areas." The Maui Island Plan specifically cites the need for mixed-use neighborhood centers "to provide services and jobs within close proximity to where people live and provide a more efficient land use pattern." Maui Island Plan at 8-27.

~~It is the Applicant's position, which it intends to advocate for on the pending Motion to Amend before the LUC, that the project falls within the Light Industrial designation of the KMCP, as that provision is implemented by the corresponding M-1 zoning designation, and that goal k of the Land Use section on page 18 of the KMCP is substantially met by the proposed project. In the event that the LUC does not agree with the Applicant's position in deciding the Motion to Amend, then, as an alternative, Applicant will seek any necessary amendment to the KMCP.~~

Although the County of Maui has determined that the proposed Project complies with the KMCP, the Applicant recognizes that certain parties have asserted that an amendment to the KMCP is necessary for development of the Project to proceed. This issue may be resolved by the LUC during its consideration of the Applicant's Motion to Amend.

c) Bicycle and pedestrian Connectivity plan.

Response: In response to comments regarding the bicycle and pedestrian plan, the FEIS Section. D. 1. (Roadways) has been revised to include the following language:

Without additional connectivity and access, the resulting number of users likely to travel by foot, bike, or transit is relatively small and thus no factor was applied to the resulting volumes. However, improvements are being made to accommodate pedestrian and bicycle travel adjacent to and within the Project. Recognizing that the availability of existing off street pedestrian and bike pathways is limited in south Maui, and that there is a need for projects to offer options to vehicular traffic, a description of the pedestrian and bike pathway system adjacent to and within the project area is included in a figure in Appendix G of the TIAR update and Figure 15 "Conceptual Circulation Plan" of the FEIS. (See: Appendix M-1, "Traffic Impact Analysis Report Update dated December 20, 2016"). The red bike lane shown in the figure is located within the Pi'ilani Highway right of way. The blue system shown provides for a series of pedestrian and bike pathways with the project area and East Kaonoulu Road allowing for safe off street interconnectivity for the public using the various components of the land plan and providing for future connectivity to the areas north, south and east of the project area.

d) What will be the effect on the water table in the area as a result of the project?

Response: In response to comments regarding effect of the water table in the project area the FEIS Section III. A. 11. (Groundwater Resources) has been revised to include the following language:

Groundwater beneath the Project site occurs as a brackish basal lens overlying saline groundwater at depth and in hydraulic contact with seawater shore. This groundwater body has been named as the Kamaole Aquifer by the CWRM. The most reliable estimate of the Kamaole Aquifer's rate of recharge and resulting groundwater flow rate is in the CWRM Water Resource Protection Plan 2008. This plan has estimated the groundwater recharge from rainfall in the Kamaole Aquifer system to be 25 MGD. Of the estimated 25 MGD of groundwater recharge, the CWRM estimates that 11 MGD of groundwater can be developed within the Kamaole Aquifer System on a sustainable basis. (Water Resource Protection Plan, 2008). The Water Resource Protection Plan is currently being updated and a draft plan is expected in late 2017.

Existing water use within the Kamaole Aquifer System amounted to 1.859 MGD (Water Resource Protection Plan, 2008). This water use is primarily for golf course and landscape irrigation purposes from existing brackish wells.

A subsurface investigation conducted in 2011 by a reputable geotechnical engineering firm performed 27 soil borings across portions of the Project site to depths ranging from 10 to 40 feet below the ground surface. No groundwater was encountered at any of the boring locations. (See: Appendix Q "Soil Investigation Reports")

The CWRM estimates that 11 MGD of groundwater can be developed within the Kamaole Aquifer System on a sustainable basis. (Water Resource Protection Plan, 2008). The irrigation well for landscaping is expected withdraw 81,000 gpd and this limited amount of water is not anticipated to significantly impact the Kamaole Aquifer from recharging. In the future, when the County reclaimed water line is extended north towards the Project site, the Applicant will connect to the R-1 water source for irrigation water eliminating the need for the brackish irrigation well.

In regards to the non-drinking water, which will be drawn from the irrigation well, Waimea Water Services prepared an assessment of potential impacts from the pumping of the approved irrigation well. (See: Appendix R, "Waimea Water Services Report") (Note: Waimea Water Services applied for and supervised the well drilling for the approved irrigation well described above). The assessment found that no probable impact to the aquifer will occur from using the well for irrigation purposes.

e) What is the effect on future planned South Maui Project's if Pi'ilani Promenade uses the water?

Response: The proposed project has secured water meters for the subject project and installed said meters that now await delivery of source. With the purchase of the meters the county of Maui has allocated source for the project. The Maui County Department of Water Supply is budgeting and planning for expanded source development adequate to serve Maui County into the next decade. There is no known restriction on access to domestic water in south Maui.

As a condition of subdivision approval the project was conditioned to develop water source. In discussions with the Department of Water Supply the alternative action of developing storage for the project was approved and the approved project plans now include construction of a one million gallon water tank to serve north Kihei and be dedicated to the county of Maui.

All of the domestic source for South Maui is derived from the Iao/Waihee aquifer system in central Maui. The use of that source is not expected to change and, with other system improvements adding efficiency and source, is expected to continue to provide the primary source of domestic source for central and south Maui.

COMMENT 12:

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".

Response 12:

The potential adverse impacts of the Project with mitigation measures are:

1. TOPOGRAPHY AND SOILS

Potential Impact: Potential impacts to the land form include routing a small unregulated drainageway (Drainageway "A") to the future East Kaonoulu Street right of way as part of the overall drainage system. Additional impacts may include soil erosion and the generation of dust during construction. Clearing and grubbing activities will temporarily disturb the soil retention values of the existing vegetation and expose soils to erosion forces. Some wind erosion of soils could occur without a proper watering and re-vegetation program.

Mitigation Measures: As part of the overall drainage master plan, Drainageway "A" will be routed to the East Kaonoulu Street right of way with no increase in flow and will terminate at the existing culverts routing the system under and *makai* of the Pi'ilani Highway. This change will not increase the quantity of drainage water traveling through this system or downstream.

During site preparation, storm runoff from the site will be controlled in accordance with the County's "Soil Erosion and Sediment Control Standards". Typical mitigation measures include appropriately stockpiling materials on the site to prevent runoff, temporary detention, and commencing building construction and/or establishing landscaping as early as possible in order to minimize the length of exposure of disturbed soils. After construction, the establishment of a permanent stormwater system and landscaping will provide additional long-term erosion control.

Why Mitigation Measures were selected: Drainageway "A" is proposed to be routed underground to the East Kaonoulu right of way as part of the drainage system improvements in order to accommodate the grade changes necessary for East Kaonoulu Street and develop the property as proposed. Maui County's "Soil Erosion and Sediment Control Standards" are the recommended mitigation measures for site preparation and stormwater runoff prevention.

2. NOISE QUALITY

Potential Impact: The Acoustic Study reports that the proposed extension of Kaonoulu Street mauka of Piilani Highway will increase the existing background ambient noise levels along the center portion of the Project site. Through project build-out in CY 2032, noise levels at the Project's planned residential buildings fronting Kaonoulu Street should not exceed the 65 DNL federal standard or the State DOT 66 Leq noise abatement criteria, as long as the residential buildings are located at least 51 feet from the centerline of Kaonoulu Street.

Mitigation Measures: Based on the best available traffic forecasts available for future conditions following completion of the Upcountry Highway, a setback distance of 70 feet from the centerline of Kaonoulu Street is required for 65 DNL and 66 Leq to not be exceeded at these residential buildings. The Project site will be designed such that rental residential uses within the Project are located at adequate setback distances from the future Kihei Upcountry Highway to eliminate the need for traffic noise mitigation measures. The Applicant will inform future residents of the potential for high noise levels due to existing light industrial activities adjacent to the northern corner of the Project site.

Why Mitigation Measures were selected: This mitigation measure of providing an ample setback from the roadway was selected in lieu of constructing a sound attenuating wall along the Kihei Upcountry Highway to reduce noise impacts to residences.

3. ARCHAEOLOGICAL RESOURCES

Potential Impact: Loss of historical sites identified on the property.

Mitigation Measures: Preparation of an Archaeological Data Recovery Plan and Archaeological Monitoring Plan.

Why Mitigation Measures were selected: The plans were recommended by the SHPD.

4. GROUNDWATER RESOURCES

Potential Impact: Hydrologic impact to the Iao Aquifer from withdrawal of 171,000 gpd of drinking water and impact to the Kamaole Aquifer from withdrawal of 81,000 gpd of non-drinking water for irrigation.

Mitigation Measures: The CWRM estimates that 0.421 MGD of groundwater can be allocated within the Iao Aquifer System. The Piilani Promenade drinking water demand is expected to withdraw 171,000 gpd, and can be accommodated within the remaining 0.421 MGD of available groundwater. This limited amount of water is not anticipated to significantly impact the Iao Aquifer from recharging.

The CWRM approved an irrigation well permit for a well built in 2011 at a wellhead elevation of 118 feet. The well has the capacity to produce 216,000 gpd of non-drinking water from the Kamaole Aquifer, and a permanent pump with an additional capacity of 150 gpm has since been installed, but is not currently in use. In addition, the Applicant is required to provide for a future connection to the County reclaimed water system that would eliminate the need for the brackish irrigation well.

Why Mitigation Measures were selected: Three 3-inch domestic water meters have been approved by the County DWS and are available for the Project. The issuance of water meters for the Project by the DWS carries the implicit approval by the DWS of Piilani Promenade's use of the Iao Aquifer System for drinking water.

The irrigation well was approved, and when the Maui County reclaimed water system is expanded to the Project site, the Applicant will connect to the system in compliance with the condition imposed by the County in connection with obtaining the current zoning designation.

5. RECREATION FACILITIES

Potential Impact: Incremental impact that new development places upon the region's park facilities.

Mitigation Measures: The Pi'ilani Promenade is anticipated to positively impact recreational facilities by providing an approximately 2-acre park site adjacent to the proposed 226 apartments.

The Applicant met with the County Department of Parks & Recreation on March 13, 2015 to discuss how the parks and playgrounds assessment requirements for the proposed Project can be satisfied in accordance with MCC Section 18.16.320. As a result of the meeting, the Applicant is proposing the following general changes to the on-site park space:

1. Inclusion of active play space and facilities within the park areas;
2. Inclusion of parking for park users; and
3. Possible reconfiguration of the park acreage to create a more contiguous park area.

Additionally, improvements are being made to accommodate pedestrian and bicycle travel adjacent to and within the Project. Recognizing that the availability of existing off-street pedestrian and bike pathways is limited in south Maui, and that there is a need for projects to offer options other than vehicular access, the Pi'ilani Promenade includes a pedestrian and bike pathway system adjacent to and within the Project site, as shown in Figure 15 "Conceptual Circulation Plan". The red bike lane shown in Figure 15 is located within the Pi'ilani Highway right of way. The blue system shown provides for a series of pedestrian and bike pathways with the Project site and East Kaonoulu Road allowing for safe off street interconnectivity for the public using the various components of the land plan and providing for future connectivity to the areas north, south and east of the Project site.

Why Mitigation Measures were selected: The requirements for Parks and Playgrounds, pursuant to MCC Section 18.16.320, are required by the County of Maui.

6. SCHOOLS

Potential Impact: Increase in student population

Mitigation Measures: Payment of the DOE school impact fee to contribute to future South Maui school facilities.

Why Mitigation Measures were selected: The Project site is not a preferred location for a school site, therefore the contribution of a fee is anticipated.

7. ROADWAYS

Potential Impact: The Project will generate 564 new trips during the morning peak hour, 2,482 new trips during the afternoon peak hour and 2,651 new trips during the Saturday peak hour.

Mitigation Measures: Consistent with previously approved subdivision plans for the Project site, the TIAR recommends the following mitigation measures to be constructed by the Applicant at the intersection of Piilani Highway and Kaonoulu Street as part of the Piilani Promenade:

- Install traffic signals and striped pedestrian crosswalks across Pi'ilani Highway.
- Southbound approach will have double left turn lanes, two through lanes, and a channelized right turn lane.
- Northbound approach will have a dedicated left turn lane, two through lanes, and a channelized right turn lane.
- Eastbound approach will have a left turn lane, a through lane, and a channelized right turn lane.
- Westbound approach will have dual left turn lanes, a through lane and channelized right turn lane with an acceleration lane.
- The Project also includes the construction of a shared-use pedestrian and bike path along the mauka-side of Pi'ilani Highway, adjacent to the Project and within the Project site, in addition to bike lanes on Pi'ilani Highway.

Why Mitigation Measures were selected: Recommendations of the TIAR.

8. DRAINAGE

Potential Impact: Hydrologic impact on downstream properties.

Mitigation Measures: Surface runoff generated by Pi'ilani Promenade's buildings and pavement will be directed to drain inlets located throughout the development and then conveyed to stormwater detention facilities (by underground drainlines) in order to provide peak flow mitigation. Underground detention chambers located on the southern portion of the Project site and an open detention pond located in the northern portion of the Project site will provide a combined storage capacity of 7.6 acre-feet and will limit downstream stormwater discharges to a peak flow rate that does not exceed pre-development levels. Once the stormwater detention facilities are in place, the hydrologic impact on downstream properties resulting from the proposed development of Pi'ilani Promenade will be negligible because the pre-development peak flow is the same as the post-development peak flow.

Why Mitigation Measures were selected: Compliance with County engineering standards and the recommendation of the Project Civil Engineering Preliminary Drainage Report.

9. WATER

Potential Impact: The Project is estimated to consume on average of 252,000 gpd at full build-out, including 171,000 gpd of drinking water for domestic uses.

Mitigation Measures: The proposed Project will connect to the existing County water system for drinking water. At the request of the DWS, the Applicant agreed to construct a 1.0 MG water storage tank to serve the future needs of the Project and South Maui. Three 3-inch domestic water meters have been approved and are available for the Project. The combined flow capacity of these meters is 1,050 gpm, which exceeds the approximately 600 gpm of required flow capacity for the Project. Therefore, there will be adequate flow capacity to build out the Project. Consequently, no additional drinking water sources beyond the County-issued water meters are anticipated in order to construct and operate the Pi'ilani Promenade.

Why Mitigation Measures were selected: Consultation with DWS led to the request for construction of the 1.0 MG water tank as an alternative to source development. Additionally, the 1.0 MG water tank is part of the previously approved subdivision plans.

10. RELOCATION OF COUNTY WATERLINE

Potential Impact: Relocating the 36-inch diameter high pressure waterline could disrupt water service during improvement work.

Mitigation Measures: Previously approved DWS construction plans for the relocation work include a bypass line, comprehensive site preparation work, and disconnect/connection during non-peak hours.

Why Mitigation Measures were selected: The current location of the County line crosses diagonally through Project site, restricting use of land over water line alignment. The proposed high pressure waterline relocation was coordinated with the DWS and the construction plans have been approved.

11. SOLID WASTE

Potential Impact: Solid Waste generated from the Project will contribute towards the use of the Central Maui Landfill.

Mitigation Measures: A solid waste management plan will be coordinated with the County Solid Waste Division for the disposal of onsite and construction-related waste material. The Applicant will work with the Project contractor to minimize the amount of solid waste generated during construction. In addition, the Project will provide on-site

recycling opportunities in an effort to reduce solid waste entering the landfill. The County Solid Waste Division anticipates that additional phases of the Central Maui Landfill will be developed as needed to accommodate future waste, including waste generated by the Project.

Why Mitigation Measures were selected: A solid waste management plan is the recommended for construction projects. Providing the on-site recycling opportunities within the Pi'ilani Promenade site is a measure that will support waste diversion.

12. WASTEWATER

Potential Impact: Development of the Project will generate 114,000 gpd of wastewater.

Mitigation Measures: The Applicant will pay the Regional Wastewater Treatment System Facility Expansion Assessment Fee for treatment plant expansion, which is currently assessed at \$4.65 per gallon of Project flow. The Pi'ilani Promenade will be assessed approximately \$530,100 for the 114,000 gpd of anticipated wastewater flow. The Project will connect to the existing County sewer system.

Why Mitigation Measures were selected: The Regional Wastewater Treatment System Facility Expansion Assessment Fee is required by the Department of Environmental Management.

13. ELECTRICAL

Potential Impact: MECO has advised that the existing 12 kV system, based on current electrical use growth projections, does not have sufficient spare capacity to accommodate the estimated 6,250 kVA of load required by the current Pi'ilani Promenade development plan.

Mitigation Measures: MECO is planning a new substation to provide the additional capacity needed to accommodate further growth in the Kihei and South Maui area.

Why Mitigation Measures were selected: The need for a substation in this area of Kihei was a requirement of MECO to continue to provide electrical needs the growth in the Kihei and south Maui areas.

COMMENT 13:

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 Pi'ilani 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 Pi'ilani Shopping Center at the intersection of Piikea and Pi'ilani 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 Pi'ilani 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)

Response 13:

The implementation of the land use guidance system in the County of Maui County, in the context of Light Industrial Uses can be observed at the Wailuku Mill Yard, the Wailuku Industrial Area, the Kahului Industrial Area and in numerous other locations. The Commercial Uses allowed by M-1 Light Industrial Zoning are permitted to be developed in these locations. In the context of the Department of Planning's position with regard to this Project's conformity to the Community Plans and Zoning, it is unreasonable to represent that the original 123-lot Light Industrial would be development as something different than industrial/commercial sprawl. The original Project should be expected to function as an extension of the existing Light Industrial development to the immediate north. At the time of the adoption of the KMCP, the location of the Kihei Upcountry Highway was undetermined. The proposed Project provides a mix of uses, emphasizing Commercial, and focusing around the intersection of the Pi'ilani Highway and the future Kihei Upcountry Highway.

In response to comments regarding the economic impacts, the FEIS Section III. B. 3. (Economy) has been revised to include the following language:

The KMCP identifies four areas that have been fully developed and provide some of the commercial needs for south Maui residents, which are: 1) North Kihei, between the existing South Kihei Road, Piilani Highway and Uwapo Road; 2) A central business and commercial center for Kihei clustered about the South Kihei Road/Road "C" intersection; 3) in existing commercially zoned areas along South Kihei Road in the vicinity of Kalama Park; and 4) along South Kihei Road opposite the Kamaole beach parks. These limited commercial areas were intended to serve the commercial needs of the fastest growing community in the State which has clearly out grown the goods and services available in these areas. The KMCP has designated the Project site for light industrial uses with approved zoning providing for light industrial uses that include neighborhood and regional needs addressing the current and future demand.

While there will inevitably be some cross-over, the Pi'ilani Promenade and Downtown Kihei development will appeal to different customer and tenant types. Downtown Kihei does not offer the exposure, access, intercept or site characteristics that Pi'ilani Promenade does. According to Downtown Kihei market study, the primary patrons of the Project will be visitors.

The Pi'ilani Promenade is intended to focus on providing light industrial and commercial uses for local Maui residents as an alternative shopping destination to Kahului. It is not intended to be directly competitive with the majority of stores along South Kihei Road which attract large numbers of visitors as their primary patrons, or otherwise comprise a significant portion of their customer base.

We anticipate some visitors will patronize the Project but will comprise only a minority of shoppers to selected retail stores and restaurants and not necessarily for the resident-oriented anchor tenant and light industrial businesses.

As part of this FEIS, the Hallstrom Group prepared an Economic and Fiscal Impact Assessment for the Project, which includes analysis of the existing commercial properties in Kihei. An inventory of existing occupied and vacant commercial properties was developed and used as part of the economic analysis for the Project. The Economic and Fiscal Impact Assessment was revised to address comments received on the DEIS. Specifically, Table V-4 of the Economic and Fiscal Impact Assessment in the FEIS now includes the accurate County costs and State costs per year.

COMMENT 14:

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'.

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)

Response 14:

Following the adoption of the KMCP in 1998, the Maui County Council Zoned the Project site Light Industrial without restriction of the uses permitted by Maui County Code Chapter 19.24 M-1 Light Industrial District in 1999. It is the County of Maui Department of Planning's opinion that the Project as Zoned by the Maui County Council conforms to the KMCP, as it is presented. The Applicant share's the Department's opinion.

In response to comments regarding the Kihei-Makena community plan the FEIS Section V. D. (Unresolved Issues) have been revised as follows:

2. Compliance with the Kihei-Makena Community Plan

The Pi'ilani Promenade is designated for (LI) Light Industrial uses by the KMCP. The KMCP defines "Light Industrial (LI)" as follows: "This is for warehousing, light assembly, service and craft-type industrial operations." The County of Maui Planning Department has consistently interpreted the KMCP's LI designation consistent with the M-1 Light

Industrial zoning classification, as the KMCP specifically states that the goals, objectives and policies of the KMCP are implemented and effectuated through various processes, including zoning. The Applicant expects the Planning Department to provide written comment on this Draft EIS and we expect any concerns to be documented in their comment letter.

The subject property is located in North Kihei, south of Ohukai Road, and mauka of Pi'ilani Highway. This area was designated in the KMCP for light industrial use in order to encourage urban expansion in the area mauka of Pi'ilani Highway (goal k). Goal k of the KMCP seeks to "[p]rovide for limited expansion of light industrial services in the area south of Ohukai and mauka of Pi'ilani 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." The original conceptual plan of 123 light industrial lots, which fit squarely within that designation, is no longer desirable or economically viable. The KMCP specifically states that it is intended to "reflect current and anticipated conditions in the Kihei-Makena region" and is intended to guide decision making through the year 2010. See KMCP at 3. Since the KMCP was adopted in 1998, the proposed planning for that area has adjusted. Other developments south of Ohukai and mauka of Pi'ilani are predominantly retail, with only some instances of true light industrial uses. The community planning process has evolved since 1998, and the current Maui Island Plan indicates that the Pi'ilani Promenade is located within the Urban Growth Boundary, and is surrounded by areas currently not zoned for urbanization, but designated as "planned growth areas." The Maui Island Plan specifically cites the need for mixed-use neighborhood centers "to provide services and jobs within close proximity to where people live and provide a more efficient land use pattern." Maui Island Plan at 8-27.

~~It is the Applicant's position, which it intends to advocate for on the pending Motion to Amend before the LUC, that the project falls within the Light Industrial designation of the KMCP, as that provision is implemented by the corresponding M-1 zoning designation, and that goal k of the Land Use section on page 18 of the KMCP is substantially met by the proposed project. In the event that the LUC does not agree with the Applicant's position in deciding the Motion to Amend, then, as an alternative, Applicant will seek any necessary amendment to the KMCP.~~

Although the County of Maui has determined that the proposed Project complies with the KMCP, the Applicant recognizes that certain parties have asserted that an amendment to the KMCP is necessary for development of the Project to proceed. This issue may be resolved by the LUC during its consideration of the Applicant's Motion to Amend.

COMMENT 15:

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 Pi'ilani 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 Pi'ilani 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 Pi'ilani 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."

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!

Response 15:

Following the adoption of the KMCP in 1998, the Maui County Council Zoned the Project site Light Industrial without restriction of the uses permitted by Maui County Code Chapter 19.24 M-1 Light Industrial District in 1999. It is the County of Maui Department of Planning's opinion that the Project as Zoned by the Maui County Council conforms to the KMCP, as it is presented. The Applicant share's the Department's opinion.

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2. Compliance with the Kihei-Makena Community Plan

The Pi'ilani Promenade is designated for (LI) Light Industrial uses by the KMCP. The KMCP defines "Light Industrial (LI)" as follows: "This is for warehousing, light assembly, service and craft-type industrial operations." The County of Maui Planning Department has consistently interpreted the KMCP's LI designation consistent with the M-1 Light Industrial zoning classification, as the KMCP specifically states that the goals, objectives and policies of the KMCP are implemented and effectuated through various processes, including zoning. The Applicant expects the Planning Department to provide written comment on this Draft EIS and we expect any concerns to be documented in their comment letter.

The subject property is located in North Kihei, south of Ohukai Road, and mauka of Pi'ilani Highway. This area was designated in the KMCP for light industrial use in order to encourage urban expansion in the area mauka of Pi'ilani Highway (goal k). Goal k of the KMCP seeks to "[p]rovide for limited expansion of light industrial services in the area south of Ohukai and mauka of Pi'ilani 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." The original conceptual plan of 123 light industrial lots, which fit squarely within that designation, is no longer desirable or economically viable. The KMCP specifically states that it is intended to "reflect current and anticipated conditions in the Kihei-Makena region" and is intended to guide decision making through the year 2010. See KMCP at 3. Since the KMCP was adopted in 1998, the proposed planning for that area has adjusted. Other developments south of Ohukai and mauka of Pi'ilani are predominantly retail, with only some instances of true light industrial uses. The community planning process has evolved since 1998, and the current Maui Island Plan indicates that the Pi'ilani Promenade is located within the Urban Growth Boundary, and is surrounded by areas currently not zoned for urbanization, but designated as "planned growth areas." The Maui Island Plan specifically cites the need for mixed-use neighborhood centers "to provide services and jobs within close proximity to where people live and provide a more efficient land use pattern." Maui Island Plan at 8-27.

~~It is the Applicant's position, which it intends to advocate for on the pending Motion to Amend before the LUC, that the project falls within the Light Industrial designation of the KMCP, as that provision is implemented by the corresponding M-1 zoning designation, and that goal k of the Land Use section on page 18 of the KMCP is substantially met by the proposed project. In the event that the LUC does not agree with the Applicant's position in deciding the Motion to Amend, then, as an alternative, Applicant will seek any necessary amendment to the KMCP.~~

Although the County of Maui has determined that the proposed Project complies with the KMCP, the Applicant recognizes that certain parties have asserted that an amendment to the KMCP is necessary for development of the Project to proceed. This issue may be resolved by the LUC during its consideration of the Applicant's Motion to Amend.

COMMENT 16:

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.

Response 16: Square footages of development, uses, heights & densities of structures and quantity of residential units and other necessary development parameters are provided to clearly define the impacts to be assessed by government agencies and reviewers as is necessary for decision-making at the State Land Use District Boundary Level.

The Applicant has coordinated with the Planning Department and will continue to refine plans to create a well-designed Project. Following the acceptance of the FEIS and completion of the Motion to Amend process, design guidelines will be presented to the Kihei Community Association Design Review Committee and the Maui County Urban Design Review Board for review and comment prior to submittal to the Planning Department for review and approval.

At this time the conceptual site plan submitted with the DEIS provides the approximate location for the Kihei-Upcountry Highway, MECO substation, Multi-family, light industrial and commercial uses. The future park space will be located in close proximity to the multi-family apartments to provide an outdoor recreation space for residents. The development of light industrial and business commercial uses will be developed as driven by market demand for such space.

COMMENT 17:

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

Response 17: In response to comments regarding the proposed project, the FEIS Section II. F. (Development Phasing) has been revised to include the following language:

It is anticipated that the Pi'ilani Promenade project will be constructed in ~~two (2)~~ three (3) phases upon receipt of LUC approval and as market conditions warrant.

~~Phase one is the Pi'ilani Promenade North development will include development of the northern developable lot (Parcel 16) which will include 100,000 square feet of business commercial uses, 226 rental apartment uses and 57,558 square feet of light industrial use.~~

Phase one (1) includes over \$22 million dollars in infrastructure improvements including construction of the future Kihei Upcountry Highway (KUHI) through the project area, (Parcel 172) and improving the intersection of Kaonoulu and Pi'ilani Highway which provides access to the project. Phase one also includes construction of the 1.0 MG drinking water tank, the relocation of the Maui County high pressure drinking water line, the irrigation (non-drinking water) well with pump and related utility and offsite easements.

Phase two (2) is the development of the northern developable lot (Parcel 16) which will include approximately 100,000 square feet of business commercial uses, 226 rental apartment uses, and approximately 58,000 square feet of light industrial use development under roof on 5 acres of land.

~~Phase two~~ three (3) is the development of the 2 southern parcels (Parcels 170 and 171) that will consist of 430,000 square feet of business commercial.

It is anticipated that all of the necessary entitlements to fully implement the Pi'ilani Promenade will be obtained ~~by in the second quarter of 2016~~ 2017 and construction for Phase 1 ~~and 2 is expected to be completed in 2018. Phase 2 and Phase 3 developments~~

are market driven and the exact timing is unknown, however estimated full buildout of the proposed project by 2031 - 2032.

As requested by the LUC and the Office of Planning, Table 1.a below provides an estimated timeline for development and estimated construction cost for the proposed project. The estimated construction costs will be privately paid for by the Applicant, no public funds are being used to construct the proposed project.

Table No. 1a Development Phasing Timeline with Cost Estimate			
<u>Project</u>	<u>Estimated Cost</u>	<u>Estimated Start Date</u>	<u>Estimated Completion Date</u>
Phase 1			
<u>Site work Improvements</u>	<u>\$1,256,710.00</u>	<u>Upon approval of the Motion to Amend by the LUC</u>	<u>16 months after approval of the Motion to Amend by the LUC</u>
<u>East Kaonoulu Street Improvements</u>	<u>\$2,299,046.00</u>	<u>"</u>	<u>"</u>
<u>Pi'ilani Highway Widening Improvements</u>	<u>\$1,411,106.00</u>	<u>"</u>	<u>"</u>
<u>Access Road and Swales</u>	<u>\$1,771,330.00</u>	<u>"</u>	<u>"</u>
<u>Sewer System/Revisions</u>	<u>\$712,592.00</u>	<u>"</u>	<u>"</u>
<u>Storm Drainage System/Revisions</u>	<u>\$2,895,052.00</u>	<u>"</u>	<u>"</u>
<u>Onsite Water System</u>	<u>\$834,700.00</u>	<u>"</u>	<u>"</u>
<u>12" Offsite Water/1MG Water Tank</u>	<u>\$4,802,784.00</u>	<u>"</u>	<u>"</u>
<u>36" Water Main/Water/Misc. Revisions</u>	<u>\$2,444,940.00</u>	<u>"</u>	<u>"</u>
<u>Electrical</u>	<u>\$885,566.00</u>	<u>"</u>	<u>"</u>
<u>Traffic Signal Improvements</u>	<u>\$643,000.00</u>	<u>"</u>	<u>"</u>
<u>Landscape/Irrigation</u>	<u>\$1,202,000.00</u>	<u>"</u>	<u>"</u>
<u>CRM Walls</u>	<u>\$900,000.00</u>	<u>"</u>	<u>"</u>
Phase 2			
<u>Light Industrial</u>	<u>\$13,000,000</u>	<u>Prior to completion of Phase 1</u>	<u>15-16 months after commencing work</u>
<u>Business/Commercial</u>	<u>\$27,500,000</u>	<u>"</u>	<u>"</u>

<p align="center">Table No. 1a Development Phasing Timeline with Cost Estimate</p>			
<u>Project</u>	<u>Estimated Cost</u>	<u>Estimated Start Date</u>	<u>Estimated Completion Date</u>
<u>Apartments</u>	<u>\$33,500,000</u>	"	<u>12 to 13 months after commencing work</u>
Phase 3			
<u>Business/Commercial</u>	<u>\$118,250,000</u>	<u>Prior to completion of Phase 2, this portion of development is market driven</u>	<u>15-16 months after commencing work</u>

COMMENT 18:

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

Response 18:

Parking, compliant with Maui County Code Chapter 19.36A is required for the issuance of Building Permits and Certificates of Occupancy. The Project will provide required parking, compliant with Maui County Code at the time of development.

In response to comments regarding the proposed project schedule, the FEIS Section II. F. (Proposed Project Description) has been revised to include the following language:

For the purposes of quantifying the potential impacts of development on these parcels, the conceptual project assumes 530,000 total square feet of business/commercial, 58,000 square feet of light industrial, and 226 apartment units to analyze the impacts. Actual future uses and locations of structures could vary, and occupants could be a variety of possible stores and users.

Development of the Pi'ilani Promenade is subject to MCC Chapter 19.36A, Off-street parking and loading, therefore the Applicant is required to provide adequate parking on-site in appropriate locations. The proposed apartments units will require a total of 2 parking stalls per unit to be located in close proximity to the units. The light industrial portion of the Project will require one parking stall for every 600 square feet of building, or 25% of the total lot coverage, whichever is greater. The business/commercial portion of the Pi'ilani Promenade will require one parking stall for every 500 square feet of building. This parking ratio could change due to the nature of a specific use, such as a restaurant which will require one parking stall for every 100 square feet of building. The exact number of parking stalls for the project is unknown until the Applicant applies for building permits and a parking analysis is completed

by the Zoning Administration and Enforcement Division to determine the required amount of parking stalls.

COMMENT 19:

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.

Response 19: In response to comments regarding water consumption the FEIS Section III. D. 3. (Water) has been revised to include the following language:

Potential Impacts and Mitigation Measures. The Pi'ilani Promenade will consume on average of 252,000 gpd at build-out, including 171,000 gpd of drinking water for domestic uses and 81,000 gpd of non-drinking water for irrigation. (See: Appendix L, "Preliminary Engineering Report")

The Pi'ilani Promenade Preliminary Engineering Report uses the estimating method prescribed by the DWS to compute drinking water demand. A different method prescribed by the Maui County Department of Environmental Management is used to calculate wastewater output. The use of prescribed methods allows each agency to more accurately evaluate project demands against its own systems' capabilities by using its own standard metrics.

As an example, the DWS estimates average daily domestic water consumption for a commercial building using a rate of 140 gallons per 1000 square feet of floor area. In comparison the Department of Environmental Management estimates average daily wastewater output for the same building using a rate of 100 gallons per 1000 square feet of floor area. Though they differ, the demand rates adopted by each agency are carefully considered to reflect needed "safety factors" and other adjustments which the agencies have found, based on their own experience, allow them to best manage the complex infrastructure under its control and reliably deliver the essential services to the community with which it is tasked.

The approximate 60,000 gallon mathematical difference between the two demand figures results from different estimating methods in computing drinking water and wastewater demand.

COMMENT 20:

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?

Response 20:

The Draft EIS Figure 3, "Conceptual Site Plan" was provided as the reference figure for Section II.D, Proposed Project Description which depicted an area of Business Commercial on the north and south side of East Kaonoulu Street (Kihei Upcountry Highway) within the proposed development. Parking compliant with Maui County Code 19.36A is a requirement of Building Permit and Certificate of Occupancy issuance. The Project will comply with Parking Requirements prior to Building Permit and Certificate of Occupancy Issuance.

In response to comments regarding the proposed project schedule, the FEIS Section II. E. (Proposed Project Description) has been revised to include the following language:

The original development plan proposed for the Project site was developed by Eclipse Development for the Applicant (the "Eclipse Development Plan"). The basis for the Eclipse Development Plan was the current land use and zoning designations, but with no input by the Kihei community. The obvious public resistance to the Eclipse Development Plan resulted in the ownership taking responsibility for plan development and then discussing the revised concept plan with the community.

The original Eclipse Development Plan proposed approximately 695,000 SF of retail space with approximately 3,700 parking stalls, with development concentrated in two major commercial development areas with substantial paved parking lots separating them. In contrast to the current plan, the Eclipse Development plan did not include any light industrial uses or a multi-family rental housing, pedestrian and bicycle access and a park component.

The current Pi'ilani Promenade conceptual plan responds to input from the south Maui community, as well as the market and demand for housing in Maui County. The current Pi'ilani Promenade conceptual plan includes the development of a mixed-used project consisting of approximately 530,000 square feet of retail, office, business/commercial development, 58,000 square feet light industrial space, 226 multi-family apartment units, and public/quasi-public (park, MECO substation) uses. The estimated 1,609 required parking stalls required under the current Pi'ilani Promenade conceptual plan is substantially less than the 3,700 stalls proposed by the prior Eclipse Development Plan.

COMMENT 21:

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 Pi'ilani 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?

Response 21: In response to comments regarding traffic improvements by other projects, the FEIS Section III. D. 1. (Roadways) has been revised to include the following language:

The TIAR update provides the following mitigation recommendations to be provided by others for study area intersections. (See: Appendix M-1, "Traffic Impact Analysis Report Update dated December 20, 2016").

Kenolio Road and Kaonoulu Street

The unsignalized intersection of Kenolio Street and Kaonoulu Street resulted in poor LOS for the southbound left turn movement. Possible mitigation to be completed by the Maui Lu re-development project includes reconstructing as a single lane roundabout.

Pi'ilani Highway and Ohukai Road

The signalized intersection of Pi'ilani Highway at Ohukai Road will continue to operate at a poor LOS similar to Future (2032) Without Project conditions. Therefore, due to current conditions and other background growth possible mitigation includes providing additional left turn lanes for the westbound and southbound approaches.

Pi'ilani Highway and Piikea Avenue

The signalized intersection of Pi'ilani Highway at Piikea Avenue also resulted in poor LOS. Possible mitigation includes adding an additional eastbound left turn lane.

Pi'ilani Highway and Kulanihako Street

The signalized intersection of Pi'ilani Highway at Kulanihako Street resulted in poor LOS for Future (2032) With Project conditions. Possible mitigation measures include the construction of additional turning lanes for the northbound and southbound approaches.

Pi'ilani Highway and Kaiwahine Street

No project related traffic will be routed onto Kaiwahine Street. The singular access route into and out of the Project will be the first increment of the KUH. The TIAR update does not recommend mitigation measures for the intersection of Kaiwahine Street at the Piilani Highway.

COMMENT 22:

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 Pi'ilani Promenade generated traffic if those other intersections and roads are not built?

Response 22: In response to comments regarding traffic improvements by other projects, the FEIS Section III. D. 1. (Roadways) has been revised to include the following language:

The TIAR update provides the following mitigation recommendations to be provided by others for study area intersections. (See: Appendix M-1, "Traffic Impact Analysis Report Update dated December 20, 2016").

Kenolio Road and Kaonoulu Street

The unsignalized intersection of Kenolio Street and Kaonoulu Street resulted in poor LOS for the southbound left turn movement. Possible mitigation to be completed by the Maui Lu re-development project includes reconstructing as a single lane roundabout.

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The signalized intersection of Pi'ilani Highway at Ohukai Road will continue to operate at a poor LOS similar to Future (2032) Without Project conditions. Therefore, due to current conditions and other background growth possible mitigation includes providing additional left turn lanes for the westbound and southbound approaches.

Pi'ilani Highway and Piikea Avenue

The signalized intersection of Pi'ilani Highway at Piikea Avenue also resulted in poor LOS. Possible mitigation includes adding an additional eastbound left turn lane.

Pi'ilani Highway and Kulanihakoi Street

The signalized intersection of Pi'ilani Highway at Kulanihakoi Street resulted in poor LOS for Future (2032) With Project conditions. Possible mitigation measures include the construction of additional turning lanes for the northbound and southbound approaches.

Pi'ilani Highway and Kaiwahine Street

No project related traffic will be routed onto Kaiwahine Street. The singular access route into and out of the Project will be the first increment of the KUH. The TIAR update does not recommend mitigation measures for the intersection of Kaiwahine Street at the Piilani Highway.

COMMENT 23:

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.

Response 23: In response to comments regarding the Transportation Coordinator the FEIS Section III. D. 1. (Roadways) has been revised to include the following language:

- A Transportation Coordinator will ~~should~~ be designated by the developer or property manager. The Transportation Coordinator will be responsible for establishing, coordinating and managing the TMP strategies identified in the plan. The Transportation Coordinator will ~~should~~-also document and respond to any traffic related complaints received from the surrounding community.

COMMENT 24:

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.

Response 24: In response to comments regarding the proposed project schedule, the FEIS Section II. F. (Development Phasing) has been revised to include the following language:

It is anticipated that the Pi'ilani Promenade project will be constructed in ~~two (2)~~ three (3) phases upon receipt of LUC approval and as market conditions warrant.

~~Phase one is the Pi'ilani Promenade North development will include development of the northern developable lot (Parcel 16) which will include 100,000 square feet of business commercial uses, 226 rental apartment uses and 57,558 square feet of light industrial use.~~

Phase one (1) includes over \$22 million dollars in infrastructure improvements including construction of the future Kihei Upcountry Highway (KUH) through the project area, (Parcel 172) and improving the intersection of Kaonoulu and Pi'ilani Highway which provides access to the project. Phase one also includes construction of the 1.0 MG drinking water tank, the relocation of the Maui County high pressure drinking water line, the irrigation (non-drinking water) well with pump and related utility and offsite easements.

Phase two (2) is the development of the northern developable lot (Parcel 16) which will include approximately 100,000 square feet of business commercial uses, 226 rental apartment uses and approximately 58,000 square feet of light industrial use development under roof on 5 acres of land.

Phase ~~two~~ three (3) is the development of the 2 southern parcels (Parcels 170 and 171) that will consist of 430,000 square feet of business commercial.

It is anticipated that all of the necessary entitlements to fully implement the Pi'ilani Promenade will be obtained ~~by in the second quarter of 2016~~ in the second quarter of 2017 and construction for Phase 1 ~~and 2 is expected to be completed in 2018. Phase 2 and Phase 3 developments are market driven and the exact timing is unknown, however estimated full buildout of the proposed project by 2031 - 2032.~~

As requested by the LUC and the Office of Planning, Table 1.a below provides an estimated timeline for development and estimated construction cost for the proposed project. The estimated construction costs will be privately paid for by the Applicant, no public funds are being used to construct the proposed project.

Table No. 1a
 Development Phasing Timeline with Cost Estimate

<u>Project</u>	<u>Estimated Cost</u>	<u>Estimated Start Date</u>	<u>Estimated Completion Date</u>
Phase 1			
<u>Site work Improvements</u>	<u>\$1,256,710.00</u>	<u>Upon approval of the Motion to Amend by the LUC</u>	<u>16 months after approval of the Motion to Amend by the LUC</u>
<u>East Kaonoulu Street Improvements</u>	<u>\$2,299,046.00</u>	"	"
<u>Pi'ilani Highway Widening Improvements</u>	<u>\$1,411,106.00</u>	"	"
<u>Access Road and Swales</u>	<u>\$1,771,330.00</u>	"	"
<u>Sewer System/Revisions</u>	<u>\$712,592.00</u>	"	"
<u>Storm Drainage System/Revisions</u>	<u>\$2,895,052.00</u>	"	"
<u>Onsite Water System</u>	<u>\$834,700.00</u>	"	"
<u>12" Offsite Water/1MG Water Tank</u>	<u>\$4,802,784.00</u>	"	"
<u>36" Water Main/Water/Misc. Revisions</u>	<u>\$2,444,940.00</u>	"	"
<u>Electrical</u>	<u>\$885,566.00</u>	"	"
<u>Traffic Signal Improvements</u>	<u>\$643,000.00</u>	"	"
<u>Landscape/Irrigation</u>	<u>\$1,202,000.00</u>	"	"
<u>CRM Walls</u>	<u>\$900,000.00</u>	"	"
Phase 2			
<u>Light Industrial</u>	<u>\$13,000,000</u>	<u>Prior to completion of Phase 1</u>	<u>15-16 months after commencing work</u>
<u>Business/Commercial</u>	<u>\$27,500,000</u>	"	"
<u>Apartments</u>	<u>\$33,500,000</u>	"	<u>12 to 13 months after commencing work</u>

Table No. 1a Development Phasing Timeline with Cost Estimate			
<u>Project</u>	<u>Estimated Cost</u>	<u>Estimated Start Date</u>	<u>Estimated Completion Date</u>
Phase 3			
<u>Business/Commercial</u>	<u>\$118,250,000</u>	<u>Prior to completion of Phase 2, this portion of development is market driven</u>	<u>15-16 months after commencing work</u>

COMMENT 25:

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.*

Response 25: In response to comments regarding net effect on south Maui's existing community the FEIS Section V. C. (Cumulative and Secondary Impacts) has been revised to include the following language:

According to the Maui Island Plan, there will be a demand for an additional 34,637 housing units on Maui through 2030. The County of Maui's Land Use Forecast (November 2006) forecasted that there will be a demand for an additional 9,735 units in Kihei-Makena through 2030. The 226 units proposed at the project are approximately 2% of the forecasted Kihei-Makena demand. The proposed project together with other planned projects in Kihei, are a necessary source of housing to accommodate the forecasted population growth.

Table No. 16d Other Potential Projects: Housing

<u>Development</u>	<u>Land Use</u>	<u>Number of Units/ Development Area</u>
<u>Kaiwahine Village</u>	<u>Multi-Family Residential</u>	<u>120 affordable units</u>
<u>Maui Lu Resort</u>	<u>Hotel</u>	<u>788 hotel rooms & 154 affordable units</u>
	<u>Existing Hotel (Demolished)</u>	<u>174 rooms</u>
<u>Kihei High School</u>	<u>School</u>	<u>215,000 Square Feet</u>
<u>Kenolio Apartments</u>	<u>Multi-Family Residential</u>	<u>186 units</u>
<u>Kihei Residential</u>	<u>Single Family Residential</u>	<u>400 units</u>
	<u>Multi-Family Residential</u>	<u>200 units</u>
	<u>Commercial</u>	<u>7,000 Square Feet</u>
<u>Downtown Kihei</u>	<u>Commercial</u>	<u>258,000 Square Feet</u>
	<u>Hotel</u>	<u>150 rooms</u>
<u>Maui Research and Technology Park</u>	<u>Multi-Family Residential</u>	<u>500 units</u>
	<u>Single Family Residential</u>	<u>750 units</u>
	<u>Knowledge Industry/ Commercial /Business</u>	<u>2 million Square Feet</u>
	<u>Hotel</u>	<u>500 rooms</u>
<u>Honua'ula Affordable Housing Development</u>	<u>Multi-Family Residential</u>	<u>250 units</u>
<u>Total</u>	<u>Single Family</u>	<u>1,150 SF units</u>
	<u>Multi Family</u>	<u>1,410 MF units</u>
		<u>2,560 total units</u>

The projects listed in Table No. 16d estimate construction of 2,560 multi-family and single-family units combined and represent approximately 26% of the forecasted demand for an additional 9,735 units in Kihei-Makena. The completion of the projects listed in Table No. 16d will support the goal of providing additional housing in the Kihei-Makena region to meet the demand of the growing community.

COMMENT 26:

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.*

Response 26: In response to comments regarding re-routing the waterline, the FEIS Section III. D. 3. (Water) has been revised to include the following language:

The Central Maui Water Transmission Line currently bisects the Honua'ula Parcel and the Project site diagonally and is proposed to be re-routed within an easement at the eastern (mauka) edge and continue underneath East Kaonoulu Street. The proposed transmission line realignment will create new bends in the pipe at the eastern (mauka) edge of East Kaonoulu Street and at the intersection of East Kaonoulu Street and Pi'ilani Highway as shown in figure 3-1 of the Preliminary Engineering Report prepared by Warren S. Unemori Engineering, Inc. The relocated waterline will be designed and engineered with proper materials to maintain the existing water flow to south Maui customers. In addition, the new 1.0 MG water tank to be constructed as part of the Project will create additional water storage capacity in south Maui. The County DWS, which has sole jurisdiction for the management of the Central Maui Water Transmission System, has already reviewed the specific construction details associated with the transmission line realignment and approved it for construction.

COMMENT 27:

§343-5 Applicability and requirements. (a) *Except as otherwise provided, an environmental assessment shall be required for actions that:*

(1) *Propose the use of state or county lands or the use of state or county funds, other than funds to be used for feasibility or planning studies for possible future programs or projects that the agency has not approved, adopted, or funded, or funds to be used for the acquisition of unimproved real property; provided that the agency shall consider environmental factors and available alternatives in its feasibility or planning studies; provided further that an environmental assessment for proposed uses under section 205-2(d)(11) or 205-4.5(a)(13) shall only be required pursuant to section 205-5(b);*

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.*

Response 27. In response to comments regarding the retail impacts, jobs and government revenues, the FEIS Section III. B. 3. (Economy) has been revised to include the following language:

The construction of the Pi'ilani Promenade is expected to inject approximately \$212 million of new capital investment into the local economy and provide an estimated 878 "worker years" of employment as well as \$66.5 million in total wages over a 12 to 15 year period. The effect of these expenditures will have positive direct, indirect, and induced beneficial impacts on the economy of the County of Maui. During its operations phase, the Pi'ilani Promenade will increase the level of capital investment in the region which will create employment opportunities and economic stimulus for the region. The proposed project will provide direct employment opportunities for Maui residents and contribute to economic diversification and growth for both Maui and the State. After "stabilization," the Pi'ilani Promenade is envisioned to support 1,210 permanent jobs with an annual payroll of about \$ 36.6 million (See: Appendix K, "Economic and Fiscal Impact Assessment").

The 226 unit apartment component of the Project is required to provide a certain amount of the rental units at an affordable price determined by the DHHC.

During the build out period, the project will generate approximately \$2.3 billion in economic activity. After completion and stabilization of the project, the onsite businesses will generate approximately \$348.7 million in revenues/sales per year (See: Appendix K, "Economic and Fiscal Impact Assessment").

The State of Hawaii will receive \$210.7 million in net tax revenue (profit) during development of the project and \$26 million per year to the State on an annualized basis thereafter. The project will generate \$25.9 million in net tax revenue (profit) during the build-out period and \$2.2 million in annual net tax revenue (profit) to the County of Maui after the build-out period.

The KMCP identifies four areas that have been fully developed and provide some of the commercial needs for south Maui residents, which are: 1) North Kihei, between the existing South Kihei Road, Piilani Highway and Uwapo Road; 2) A central business and commercial center for Kihei clustered about the South Kihei Road/Road "C" intersection; 3) in existing commercially zoned areas along South Kihei Road in the vicinity of Kalama Park; and 4) along South Kihei Road opposite the Kamaole beach parks. These limited commercial areas were intended to serve the commercial needs of the fastest growing community in the State which has clearly out grown the goods and services available in these areas. The KMCP has

designated the Project site for light industrial uses with approved zoning providing for light industrial uses that include neighborhood and regional needs addressing the current and future demand.

While there will inevitably be some cross-over, the Pi'ilani Promenade and Downtown Kihei development will appeal to different customer and tenant types. Downtown Kihei does not offer the exposure, access, intercept or site characteristics that Pi'ilani Promenade does. According to Downtown Kihei market study, the primary patrons of the Project will be visitors.

The Pi'ilani Promenade is intended to focus on providing light industrial and commercial uses for local Maui residents as an alternative shopping destination to Kahului. It is not intended to be directly competitive with the majority of stores along South Kihei Road which attract large numbers of visitors as their primary patrons, or otherwise comprise a significant portion of their customer base.

We anticipate some visitors will patronize the Project but will comprise only a minority of shoppers to selected retail stores and restaurants and not necessarily for the resident-oriented anchor tenant and light industrial businesses.

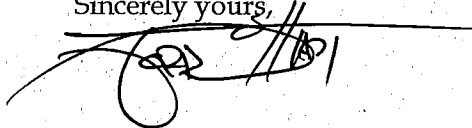
As part of this FEIS, the Hallstrom Group prepared an Economic and Fiscal Impact Assessment for the Project, which includes analysis of the existing commercial properties in Kihei. An inventory of existing occupied and vacant commercial properties was developed and used as part of the economic analysis for the Project. The Economic and Fiscal Impact Assessment was revised to address comments received on the DEIS. Specifically, Table V-4 of the Economic and Fiscal Impact Assessment in the FEIS now includes the accurate County costs and State costs per year.

It is projected that the Project will address sub-regional and regional commercial demand more efficiently than the fragmented commercial space located along South Kihei Road because of its location and visibility and ease of access for residents in west, south and central Maui.

In mid-2014, The Hallstrom Group completed an inventory of the Kihei Retail market and found that about 10 percent of the total floor area in the community was vacant. However, the vacancies were either restaurant spaces (the least stable sector of the market) or in uncompetitive projects or locations (such as along Lipoa Street). All of the quality/competitive spaces along South Kihei Road or in newer, modern centers were occupied. Over the past year numerous new leases have been signed and the vacancy rate in Kihei has dropped below seven percent (2014).

Thank you for participating the in the environmental review process. Please feel free to call me or Mr. Brett Davis at (808) 242-1955 or email at bdavis@chpmaui.com should you have any questions.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Jordan E. Hart", written over a horizontal line.

Jordan E. Hart, President

CC: Mr. Charlie Jencks, Ownership Representative
Mr. Daniel E. Orodener, Executive Officer, LUC
Project File 13-029