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COUNTY OF MAUI
DEPARTMENT OF PLANNING
July 14, 2017

Mr. Daniel Orodener, Executive Officer
and Members of the State Land Use Commission
P.O. Box 2359
Honolulu, Hawaii 96804

Dear Mr. Orodener:

Subject: Docket No. A94-706 Ka'ono'ulu Ranch
Petitioner: Pi'ilani Promenade South, LLC and Pi'ilani Promenade North, LLC
Location: Kihei, Maui
Acreage: Approximately 75 acres
TMK's: (2) 3-9-001:016, 170, 171 (developable lots)
(2) 3-9-001:172, 173, 174 (roadway lots)
(2) 3-9-001: POR. 148 & POR. 169 (off-site work)
(2) 3-9-048: POR. 122 (off-site work)
(2) 2-2-002:077 (water tank site)
(2) 2-2-002: POR. 016 & POR. 082 (off-site work)

The Department of Planning (Planning Department), County of Maui, has reviewed the Draft Final Environmental Impact Statement (DFEIS) and specifically County agency comments and Petitioner's responses to agency comments for the above referenced project. The Planning Department finds that it adequately addresses the content requirements as set forth in Sections 11-200-18 and 11-200-23, Hawaii Administrative Rules, and therefore recommends that the Land Use Commission accepts the Petitioner's Final Environmental Impact Statement. The analysis in the DFEIS of the County General Plan is sufficient based on the accepting criteria as set forth in the Hawaii Administrative Rules.

The project referred to as the "Pi'ilani Promenade" is a mixed use project consisting of Light Industrial, Business/Commercial and Multi-Family land uses on approximately 75 acres of land in North Kihei. The project will include both on-site and off-site infrastructure improvements including but not limited to water, sewer, roads, drainage, and electrical. Project amenities will include bicycle and pedestrian pathways, a public park area, and landscaping. A Maui Electric substation is also proposed on the project site.

On-site and Off-site improvements include rerouting the County's existing 36 inch high pressure water main which traverses the property, installing a 1.0 million gallon drinking water tank and water transmission lines, and providing utility system connections and an access easement mauka and to the north of the project site. This easement will also provide access for maintenance and construction vehicles, and future pedestrians and bicycles with connectivity to Ohukai Road. The project will also provide road-widening along Piilani Highway and improve the intersection of Piilani Highway at Kaonoulu Street.

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The Planning Department provided comments on the Draft Environmental Impact Statement in a letter dated December 8, 2014. The Petitioner provided a response to our comments by letter dated April 17, 2017.

The Planning Department would like to highlight land use issues of County interest as follows:

Maui Island Plan

The project is located within the County's Urban Growth Boundary identified in the Maui Island Plan. The characteristics of an Urban Growth Boundary are greater varieties of land use types, including various housing types and densities, commercial, retail, industrial uses, and resort destination areas. Infrastructure is more complete and reflects the need to serve higher-density land uses.

Kihei Makena Community Plan

The Maui County Council in March 1998, adopted the Kihei-Makena Community Plan. The Kihei-Makena Community Plan designates the project area for Light Industrial Use.

The Kihei-Makena Community Plan defines "Light Industrial" as follows: "This is for warehousing, light assembly, service and craft type industrial operations." The Planning Department has maintained that the Light Industrial designation in the Kihei-Makena Community Plan is consistent with the parcel's M-1 Light Industrial zoning classification. The Community Plan specifically states that the goals, objectives, and policies of the plan are implemented and effectuate through various processes, including zoning. Throughout the County there are commercial and apartment uses located on lands designated Light Industrial in the Community Plan. This includes lands immediately adjacent to the project site (The Kihei Gateway Project).

The Planning Department believes that community plans and zoning play complementary but different roles. Community plan land use designations are intended to depict what types of land uses are envisioned during the duration of the community plan. They are intended to guide decision making for changes in zoning, subdivisions, budgeting and capital improvements, and developments in the special management area. They do not provide, nor are they intended to be, exclusive or complete lists of land uses allowed. They do not provide specific development standards. Zoning regulates land use and provides exclusive and complete lists of land uses and specific development standards.

Zoning

The subject property is zoned M-1 Light Industrial District. The County Council zoned the property M-1 Light Industrial in 1999 in accordance with the recommended land use designation in the Community Plan. Although the Planning Department recommended conditions restricting the amount of light industrial use of the project area, the Council did not impose any restrictions on uses when granting the M-1 Light Industrial Zoning. The M-1 Light Industrial Zoning is a tiered zoning

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and district allows, as of right, all of the uses in the M-1 light industrial district ordinance which includes commercial uses contained in the Maui County business districts, B-1, B-2 and B-3. This specifically includes the light industrial, commercial, and apartment uses proposed for the Pi'ilani Promenade project.

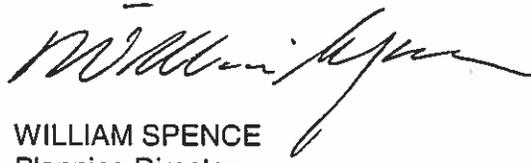
As a result of the County's tiered Light Industrial Zoning District, a very large portion of Maui's light industrial lands have converted to commercial uses. A number of commercial centers are located on both light and heavy industrial zoned lands and are also designated Light Industrial on the applicable Community Plan such as:

- Kihei Gateway
- Puunene Shopping Center
- Maui Marketplace
- Wailuku Town Center
- Lahaina Gateway
- Haiku Cannery
- Haiku Marketplace
- Pauwela Cannery

In addition, the Planning Department notes a few apartment projects on land that is zoned and Community Planned for light industrial use such as:

- Ali'i Koa Apartments (20 rental units)
- Kahului Town Terrace (72 low-income rental units)
- Opukea (114 predominantly affordable units)
- Ho'onanea (49 units)

Sincerely,



WILLIAM SPENCE
Planning Director

xc: Clayton I. Yoshida, AICP, Planning Program Administrator (PDF)
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