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DTS201912121110HE

December 31, 2019

TO: Daniel Orodener, Executive Officer
Land Use Commission

FROM: Mary Alice Evans, Director *Mary Alice Evans*
Office of Planning

SUBJECT: Docket No. A19-807/Lanai Resorts, LLC dba Pulama Lanai
Miki Basin Industrial Park
Draft Environmental Assessment – Anticipated Finding of No Significant Impact
Lanai Airport, Lanai, Hawaii
TMK: (2) 4-9-002: por. 061

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LAND USE COMMISSION
STATE OF HAWAII

Pulama Lanai is seeking a State Land Use District Boundary Amendment (Land Use Commission Docket No. A19-807) to reclassify 200 acres from the State Agricultural District to the Urban District to develop the Miki Basin Industrial Park. The subject Draft Environmental Assessment – Anticipated Finding of No Significant Impact (DEA-AFONSI) is in support of the reclassification action.

Pulama Lanai proposes a master-planned light and heavy industrial development located 3.2 miles southwest of Lanai City and connected to Kaunapala Highway (State Route 440) via Miki Road. The 200-acre project site is designated for industrial use on the Lanai Community Plan Land Use Map and adjoins the Lanai Airport, the 5-acre Maui Electric Company power plant, and the existing 20-acre Miki Basin Industrial Condominium. All three neighboring facilities are in the State Urban District. The site is on fallow agricultural land, rated “D” by the Land Study Bureau, that has not been used since 1992 when pineapple production ceased.

As a master-planned project, Pulama Lanai will develop the major common infrastructure, such as roads and electric and water utility lines. Industrial park users will be responsible for connection to their individual lots. Pulama Lanai does not intend to build the project all at once and anticipates that full buildout will occur over a 30-year time period.

The Office of Planning (OP) has reviewed the DEA-AFONSI and offers the following comments:

1. Development Timetable

Pulama Lanai states that full buildout of the project is expected to take 30 years. Please be aware that projects seeking State Land Use reclassification are required to be *substantially completed within ten years* or seek incremental approvals (Hawaii Administrative Rules § 15-15-50 (c) (20)). The Final Environmental Assessment (FEA) should provide a schedule of development for each phase of the total development and a map showing the location and timing of each phase or increment. Regarding infrastructure, e.g. highway improvements, new water source, storage and distribution system, the FEA should discuss how improvements will be completed to ensure that mitigation coincides with the impact created by the proposed project.

2. Low Impact Development

OP acknowledges that Sections 4.5 (pgs. 42-48) of the DEA-AFONSI contains an extensive evaluation on geology, soils, slope stability and proposed drainage infrastructure that will be incorporated into the industrial park. Page 45 states that offsite runoff will be intercepted before entering the project site by proposed drainage ditches. The drainage ditches will divert runoff around the perimeter of the project site to an offsite discharge point downstream. Onsite runoff will be collected by a proposed underground storm drain system consisting of pipes and inlets. Page 48 goes on to state that storm water treatment will not be provided for this project since the runoff flows into an existing offsite sump with no outlet to the ocean.

Industrial activity in the Miki Basin may alter the absorption rate with the introduction of impervious surfaces, lead to increased sheet flow, and overwhelm drainage infrastructure intended to divert rainwater to detention zones. Low impact development (LID) designs include enhanced landscaping, bio-swales, permeable pavement, rain catchment systems, and bio-detention basins. LID design elements are effective at keeping stormwater in place, and treat toxins, sediment, and loose soil onsite.

Pulama Lanai should consult with the County of Maui on the feasibility and effectiveness of onsite stormwater treatment systems.

3. Water Resources

OP notes that the DEA-AFONSI contains an extensive discussion of the project's impact on water resources, including Lanai Water Company's conformance with the State Commission on Water Resource Management requirements, identification of new sources of water, water infrastructure improvements needed to support full buildout of the

project, and the cumulative impact of other development projects on water resources (pgs. 49-72). In addition, a Water Master Plan is also included (Exhibit H).

4. Cultural Resources

OP notes that the DEA-AFONSI partially discusses the project's potential impact on traditional and customary native Hawaiian rights on Pages 37-38. A fuller discussion and a specific finding consistent with the Hawaii Supreme Court's Ka Paakai holding is contained in the DEA-AFONSI, Exhibit A, September 24, 2019 letter to Kurt Matsumoto from Kepa Maly.

5. Previous Comments

Our previous response letter to an Early Consultation Request, dated November 30, 2018, requested that the DEA:

- Examine the project's relevancy with the provisions of Hawaii Revised Statutes (HRS) Chapter 226, the Hawaii State Planning Act; and
- Assess the project's adherence with HRS § 205A-2, the objectives and supporting policies of the Hawaii Coastal Zone Management (CZM) program.

OP acknowledges that our prior comments have been addressed in the DEA-AFONSI.

If you have any questions, please contact Aaron Setogawa of our Land Use Division at (808) 587-2883 or Joshua Hekeia of our CZM program at (808) 587-2845.

Sincerely,



Mary Alice Evans
Director

- c: Lynn McCrory, Senior Vice President of Government Affairs, Pulama Lanai
Peter T. Young, President, Hookuleana LLC
Michele McLean, AICP, Director, Department of Planning, County of Maui