

November 15, 2020

Daniel Orodener, Executive Director  
State of Hawai'i Land Use Commission  
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Re: Docket A19-809 LĀNA`I RESORTS, LLC dba PŪLAMA LĀNA`I (MIKI BASIN)

Dear Mr. Orodener:

Identifying an area to relocate existing light and heavy industrial uses away from residential areas, while facilitating the establishment of new opportunities for industrial expansion, has long been viewed as a needed objective for the island of Lāna`i.

I have reviewed the Final Environmental Assessment (FEA) Pūlama Lāna`i submitted to the Land Use Commission in June, 2020, and would like to raise several issues and/or questions that arise out of that review.

- On December 31, 2019, the state Office of Planning (OP) advised the applicant that HAR § 15-15-50 (c)(20) requires substantial completion “within ten years” and recommended that the 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.” (Exhibit K.) Applicant’s undated response to OP did not directly address this recommendation, insisting instead that “development is dependent on market conditions” and will proceed over a 30-year timeframe.
- The OP suggested in its December 31, 2019 letter that applicant “discuss how improvements will be completed to ensure that mitigation coincides with the impact created by the 200-acre industrial project.” Applicant’s undated response to OP in the FEA, Exhibit K, does not address this at all.
- On December 22, 2019, I submitted testimony pointing out the draft EA failed to acknowledge numerous projects included in the Lanai Community Plan. Applicant adjusted the final EA to acknowledge these various proposals were included in the Lanai Community Plan, but avoided any discussion of the water resources that would be needed for each project; a timeline for development; or how the projected water usage for the 200-acre parcel subject to this proceeding would be impacted should any of them proceed. (Exhibit K)
- The FEA at p. 92 asserts that “Over the construction period, the State will net about \$28.3 million from construction and related economic activities associated with the Project. At full development, the Project is expected to generate net income to the State of about \$1.9 million per year. The positive return to the State reflects the various taxes on economic activities associated with the Miki Basin Industrial Park.”

- However, the economic analysis provided in Exhibit E is based on an assumption (at p. 7) that “the lots within the Miki Basin Industrial Park will be sold to individual businesses for their use, or to developers. Total land sales are estimated at \$105 million.”
- This analysis further states (at p. 10) “It is assumed that the majority of businesses within the Miki Basin Industrial Park will own their lots. While some lots may be leased to tenants and generate rental income, rent revenue is expected to be nominal and is not estimated.”
- Applicant makes no secret of its intent to preserve the option of continuing its control of this land, stating (at p. 2 and 12 of the FEA) that “Pūlama Lāna’i may or may not go through the subdivision process; it may lease sites, rather than sell the land and subdivide.” Absent a commitment to offer even a single lot in the proposed industrial park for sale, the economic analysis is questionable.
- Applicant’s Master Water Plan states that the “proposed average day demand for full buildout of the Industrial Park, including existing use, is 1,309,000 gpd,”and concedes that the “existing water system does not have adequate source capacity and reservoir storage to support full buildout” nor do “the transmission mains meet Water System Standards for fire flow protection.” (Exhibit I, p. 5.) The FEA at p. 64 states that “Based on the existing water use, an average day capacity of 107,000 GPD is available to initially support the development of the 200-acre Industrial Park.”
  - Would using up the available 107,000 gpd serve as a trigger that all development activities must cease until one or more new wells are drilled and operating in a way that does not endanger the system, i.e. in a manner that avoids over pumping any high level compartments?

I would hope that the Commission can obtain clarifying responses to these issues prior to making a final determination on the Applicant’s FEA.

Thank you for your consideration.

Sincerely,

*Robin Kaye*

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