

January 6, 2022

TO: **Approving** Land Use Commission, State of Hawai'i
Agency: Mr. Scott Derrickson, (808) 587-3921,
scott.a.derrickson@hawaii.gov , dbedt.luc.web@hawaii.gov
P.O. Box 2359, Honolulu, HI 96804-2359
235 South Beretania Street, Suite 406, Honolulu, HI 96804

Applicant: R.D. Olson Development; 520 Newport Center Dr., Suite 600,
Newport Beach, CA 92660
Mr. Anthony Wrzosek, Vice Pres., (949) 271-1100
anthony.wrzosek@rdodevelopment.com

Consultant: Chris Hart & Partners, Inc.; 220 Main Street, Suite 527, Wailuku, HI 96793
Mr. Brett A. Davis, Sr. Planner, 808-242-1955; bdavis@chpmaui.com

FROM: Prof. Richard "Dick" Mayer, 1111 Lower Kimo Dr. Kula, Maui, HI 96790
dickmayer@earthlink.net

RE: PROPOSED KANAHA HOTEL AT KAHULUI AIRPORT – **DRAFT-EIS**

IMPORTANT GENERAL CONCERNS:

The applicant has commissioned the authors of this enormous Draft Environmental Impact Statement to produce a work of fiction. It contains a great deal of misinformation, deceptive statements, and contrived arguments.

The result is a document which cannot be relied upon to provide the basis for a requested zoning change from light industrial to hotel, nor a positive vote by the Land Use Commission with regard to this Maui Business Park 2 property.

In so many ways Maui's community has indicated that it does not want to see any additional visitor accommodations. The Maui County Code, which includes the Maui Island Plan as part of its County General Plan, makes it clear in numerous statements that Maui is oversaturated with visitor accommodations.

This DRAFT-EIS sites one provision in the Maui Island Plan dealing with the ratio of tourists to residents. It then goes ahead and utilizes Appendix 22 (a 15 page report on Maui tourism) to try to show that this provision would be satisfied if this proposed hotel were to be built. That Appendix 22 forms the foundation for many of the incorrect assertions and arguments in the DRAFT-EIS, trying to justify a hotel.

NOTE: I was the Vice-Chair of the 25 member residents committee, known as the General Plan Advisory Committee, which drafted the language in the Maui Island Plan. Therefore, I feel qualified to give credence to the statements that I'm making here.

This DRAFT-EIS does not mention several other very significant provisions in the Maui Island Plan which was adopted to protect Maui's future. It contains numerous provisions to guide the council, the mayor, and all County departments, boards and commissions to prevent the tourist industry from overwhelming our island. The following items come directly from Maui County's General Plan where they are found in the [Maui Island Plan's Chapter 4](#) (Pages 4-8 to 4-14).

- **“The County’s principal role involves regulation of land uses, *including visitor units and related recreational real estate*, in addition to commercial attractions.” (Maui Island Plan Page 4-10)**
- **“To protect the quality of Maui’s visitor industry, and the island lifestyle, the County must carefully manage and control any future expansion of visitor units on Maui Island.” (MIP Page 4-11)**
- **“Comprehensively manage future visitor-unit expansion.” (MIP Page 4-13)**
- **“Mitigate the impact of tourism on the host culture, natural environment, and resident lifestyles.” (MIP Page 4-13)**
- **“Develop programs and/or regulations to: (2) Cap the number and type of visitor accommodations that can be permitted; and (3) Manage the number and type of visitor accommodations that can be permitted.” (MIP Page 4-13)**
- **“Promote a desirable island population by striving to not exceed an island-wide visitor population of roughly 33 percent of the resident population.” (MIP Page 4-13)**

The wording in the Maui County Code is very specific about the direction Maui should be taking with regard to the over-dependence of the island on a larger tourist industry and more tourist accommodations. Furthermore, the County government this year has made it very clear that there needs to be a hiatus, being referred to as a “moratorium”, on all new visitor accommodations. The proposed Kanahā Hotel, if built now, would violate this ordinance.

The County Council passed by a vote of 6-3 Bill 148 which requires a two-year moratorium on new visitor accommodations. Not just hotels, but **all** visitor accommodations. Despite efforts by some in the visitor industry to kill the bill, the Maui County Council on January 7th, 2022 reaffirmed its intent in requiring a two-year moratorium or until a proper plan is adopted to handle Maui Island's visitor saturation and dependence.

The Kanahā Hotel DRAFT-EIS makes several improper attempts to misconstrue the intentions of the Maui community with regard to the Maui Island Plan. It tries to separate out the Kahului-Wailuku area from the rest of Maui Island. The Maui Island Plan makes no such separation and any interpretation of the plan that says that there is more hotel construction needed in the Kahului-Wailuku area would be a misrepresentation and misinterpretation of the plan.

The DRAFT-EIS also goes on to try to isolate out the hotel sector of the visitor accommodations and tries to point out that not only are the hotel unit numbers dropping, but that the Kanahā Hotel would have a very tiny impact on changing the number of hotel visitor units or visitors. The DRAFT-EIS does not recognize that the Maui Island Plan and the County’s Bill 148 do not separate out hotels and refer to all visitor accommodations.

Any assertion that there is a large market demand for tourists to come to Maui is most irrelevant because Maui already is saturated with tourists and the community has made it very clear that it does not wish to supply more accommodations just to satisfy external demand. **The community is more concerned that the quality of the tourist experience could be jeopardized by further increases in the number of tourists on the island. This could lead to a deterioration in the highly regarded, world-wide reputation of a high quality visitor industry and tourist experience. There is NO compelling argument or necessity for Maui take steps to satisfy an almost unlimited domestic and international demand to visit Maui.**

SPECIFIC CONCERNS AND ISSUES in the DRAFT EIS:

1. The “Response” paragraphs in Appendix 4 to previous testimony is full of deceptions and misrepresentations. Over and over again the DRAFT-EIS attempts to mislead a reader or an approving authority of the actual meaning and intent of the Maui Island Plan and the actions taken by the Planning Commission, Planning Director, County Council committee, and full County Council.
2. Major reasons for the strict limits on the number of tourists in the Maui Island Plan which is a key component of the County’s General Plan are fears that Maui is already too dependent on tourism, and that Maui’s infrastructure and culture are being overwhelmed.

The Final-EIS needs to discuss the overdependence on tourism within the Maui economy. The Kanahā Hotel would in no way decrease that overdependence and would add to Maui’s future over-dependence.

During the Covid-19 crisis Maui Island’s workers have suffered more than any other Hawai’i island because of our huge existing dependence on the tourism sector. Maui political leaders and most residents now desire to reduce our dependence on visitors and tourism, and certainly do not wish to add even more visitor accommodations!

The Kanahā Hotel DRAFT-EIS must make proper, accurate calculations of Maui Island’s tourism numbers and population, as they were prior to the Covid-19 crisis. After all, we must assume a return to normal tourism.

3. Volume 1 PDF 1161 Kloninger & Sims Consulting, LLC. prepared a *Maui Lodging Market Analysis* dated September 15, 2021. This report is in Appendix 22. On Page 2 (Appendix 22) of the report it indicates that there was no effort made to consult average Maui residents or community associations and groups. Folks from the tourist industry were consulted. That is a major reason that this report comes to so many incorrect conclusions.

It analyzes the Maui lodging market and evaluates the impact of the development of the proposed Kanahā Hotel within Maui’s mix of lodging inventory. The report also provides direct commentary on the issue of overtourism and the policy that aims to limit the number of visitors on the island.

4. Housing issues. Because Maui Island already has a shortage of housing, how will the housing needs of the hotel’s workers be satisfied?

Response in Volume 1, PDF 1157. The proposed hotel project is required to participate in the affordable housing program on Maui. . . . The Applicant will coordinate with County DHHC to comply with MCC Chapter 2.96 of the Residential Workforce Housing Policy.

That is NOT an adequate answer, given the very severe shortage of affordable housing. The applicant should clearly indicate how many affordable homes will be constructed, where they will be, and the environmental impacts from those homes. The applicant should not be allowed to merely get out of the MCC 2.96 requirements by providing purchased housing credits.

5. Tsunami Evacuation Zone. The hotel is in the Tsunami Zone. If a tsunami was generated, **describe escape routes, and methods to warn hotel guests**, especially if the tsunami is generated locally around the Hawaiian Islands. It is not adequate to merely state as the applicant has in Volume 1, PDF page 1157, that a Tsunami Evacuation Plan will be developed.

6. Highway Access. It is unclear how the access road to the to the Airport Highway will be built, when it will be built, who will finance it, what part will this proposed project have in the design, funding, and construction of a needed access road.

7. The DRAFT-EIS for the Kanaha Hotel portrays the new hotel meeting several needs. The document says that the hotel will be for business travelers, but also will serve the needs of local inter-island travelers. For example, in Volume 1, PDF page 1156, it states, "Conveniently located accommodations will be a resource for interisland clubs, teams, *halau*, as well as governmental services and the business community."

It states that only 37.5% of the guests will be from the mainland with the rest being local *kama’aina* residents. This is an almost certainly a false assertion. The closest comparable hotel to the one being proposed is the nearby hotel known as the Courtyard Marriott.

The neighboring Courtyard Marriott hotel was built by the same developer who is now applying for this Kanahā Hotel. When it was being proposed and seeking its entitlements, R.D. Olson Development company touted the same argument that it is now making, namely that it would be providing accommodations for inter-island travelers, *hālau* groups, neighbor Island sports teams, etc. It is again making that same assertion, and again it will prove to be a misrepresentation of who actually can afford to stay at the proposed hotel.

In Volume 2 PDF page 890 it states that “We believe that the Kanahā Hotel will primarily compete with the Courtyard for the *kama’aina* market, both corporate and leisure, as well as for the mainland leisure market.” Checking on the hotel rates for the Olson built Courtyard Marriott, you will find that the cheapest room at the hotel for this month of January 2022 is **\$560 plus taxes**. Does anyone really believe that *kama’aina* residents, *hālau* groups, and sports teams from Molokai will really be able stay at this hotel? Only wealthy mainland tourists and corporate sponsored business people will be able afford to stay at this hotel.

8. The proposed, renamed Kanahā Hotel is trying to circumvent a very important element of Maui General Plan’s Maui Island Plan. **The Maui Island Plan calls for no more than one tourist for every three residents. (Policy 2.2.3.a on Page 4-14)**. Prior to the Covid-19 crisis, Maui had already far exceeded its tourism saturation level. As the Maui Planning Director Michele McLean pointed out in her letter to the Maui County Council, the EIS must address this violation of the Maui Island Plan.

In the Economic Development section of the Maui Island Plan, Objective 4.2.3 is to "maximize residents' benefits from the visitor industry." Under that objective, Policy 4.2.3.a says, "Promote a desirable island population by striving to not exceed an island-wide visitor population of roughly 33 percent of the resident population." Per the Hawaii Tourism Authority, in 2018, the average daily visitors to the island was 64,480. The population for the island varies, depending on the data source. Per The State of Hawaii Data Book 2018, the population for the island of Maui for 2013- 2017, the population for Maui was 153,997. Per The Maui County Data Book 2018, the population for Maui Island was 154,834. No matter which island population number is utilized, **the ratio of visitors to residents is now approximately 42 percent, which exceeds the 33 percent visitor-resident ratio discussed in the Maui Island Plan**. In the Draft EIS, please include the Maui Island Plan and the current visitor- resident ratio information, state that the proposed hotel will conflict with the objective and policy of the Maui Island Plan and discuss why the land use entitlements should still be approved despite these statistics and this conflict.

Despite the inadequate Appendix 22 tourism report and all the verbiage in the Draft-EIS response, it does not negate the fact that the proposed hotel will violate the Maui Island Plan.

9. This property is still within the Maui Business Park 2 which has many LUC and County conditions that need to be honored. Moving from “Light Industrial” zoning to “Hotel” zoning should not be “free pass” out of all the imposed conditions on the Maui Business Park 2.

At present the A&B Business Park 2 is not in compliance with Maui County code’s zoning requirement for light industrial area which requires at least 50% of the activities to be light industrial. There is almost no light industrial at all in this large business park.

As stated in the Maui County Code **19.24.010’s** Purpose and Intent most (at least half) of the light-industrial zoned area must be “light-industrial”. The proposed Kanahā Hotel land is not “light Industrial”.

19.24.010 - Purpose and intent. 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.

10. In a response to my concerns expressed in the EISPN document, the applicant has responded with a most clear statement on the role of the Maui Island Plan. (Volume 1, PDF Page 1162) **These are the applicant’s words, not mine!**

“The Maui Island Plan functions as a regional plan and addresses the policies and issues that are not confined to just one community plan area, including regional systems such as transportation, utilities and growth management, for the Island of Maui. Related to the impacts of future hotel development, it is important to consider the potential island-wide cumulative impact of all known future hotel expansion and additions. In the context of the above discussion, several proposed Hotel projects, if completed, would add to the island-wide Hotel room inventory, and have the potential to create cumulative impacts with respect to ‘overtourism’.”

11. Volume 1, PDF Page 1158

“Response. A cumulative impacts assessment is provided in Section 4.3 of the DEIS. The proposed Kanahā Hotel is situated at Kahului directly adjacent to the Kahului Airport and within the planned Maui Business Park Phase II development. Cumulative impacts of the project were determined by considering the potential impacts of the proposed project together with the incremental impacts of other past, present, and reasonably foreseeable future actions at the project site and **within the vicinity of the project site up to a one-mile radius**. The scope of the cumulative and secondary impacts analysis involves the geographic extent of the effects and the time frame in which the effects could be expected to occur. For this DEIS, the geographic extent was defined as the projects occurring within a 1-mile radius of the project site of the proposed Kanahā Hotel. **A 1-mile radius was used because it is considered an appropriate distance at which other projects would be close enough to the project site to reasonably result in cumulative or secondary impacts on the environment**. Any projects beyond that geographical area are only included due to their potential to generate broader regional or island-wide environmental impacts that may also result in cumulative impacts

The DRAFT-EIS has limited its cumulative impacts to the area only within one mile of the hotel. By limiting it to such a small geographic area many cumulative impacts will be missed in the DRAFT-EIS.

For example it can be presumed that all of the guests of the hotel will be traveling outside of these 1 mile radius and impacting our community on the roads. All the workers will be living more than one mile from the hotel since there is no housing in the 1 mile radius. This is especially important for the Maui County Code requirement to provide affordable housing. Furthermore we can expect that all of the visitors to the hotel will be leaving the hotel itself to eat their three meals per day. They will be impacting the local community on all of these trips.

Neglecting these and other impacts will certainly allow this DRAFT-EIS to miss many cumulative impacts and give it the ability to ignore needed mitigation measures.