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TO: State of Hawai`i Land Use Commission  
Attention: Scott Derrickson  
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CC: R.D. Olson Development  
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Chris Hart & Partners, Inc.  
Attention: Brett A. Davis, Sr. Planner  
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RE: Kanahā Hotel Draft EIS

DATE: January 7, 2022

Aloha Mr. Derrickson,

Mahalo for the opportunity to comment on R.D. Olson Development's Kanahā Hotel at Kahului Airport Draft Environmental Impact Statement (DEIS), Kahului, Maui, concerning TMK Nos. (2) 3-8-103:014 (portion), 015 (portion), 016, 017, and 018 noticed November 23, 2021. We have reviewed the DEIS and offer the following comments:

1. Policy 4.2.3.a of the Maui Island Plan is to Promote a desirable island population by striving to not exceed an island-wide visitor population of roughly 33 percent of the resident population. As mentioned in the DEIS, Maui exceeded that ratio in 2019 and years prior. The DEIS does not properly address the impacts of exceeding the 33 percent number.
2. Page 197 of the DEIS states, *"In recent years prior to 2019 the ADC for Maui has exceeded the 33.33% visitor to resident metric on an island wide basis in recent years. In 2020 visitor arrival declined substantially due to COVID-19 and is anticipated to be below 33.33% in 2021."*  
The DEIS fails to mention that the years 2020 and 2021 were anomalies in the data, and that visitor numbers have been increasing significantly and approaching pre-pandemic numbers. Due to the extreme circumstances of the Covid-19 pandemic, data from years prior to the pandemic should be used for plans and decision-making. In addition, the

Department of Business, Economic Development & Tourism reported on December 29, 2021 that the ADC for Maui island in November 2021 was 57,562. Assuming a resident population of 154,100, the number of visitors was over 37 percent in November, which is typically a slower month for tourism; this is over the desired 33 percent maximum.

3. Page 196 and 197 in the DEIS states, *“the estimated 138 out-of-state visitors accommodated by the proposed Kanahā Hotel on an average night would equal 0.09% of the island’s resident population of 154,100. An increase of approximately 0.09% (less than one-tenth of one percent) to the visitor to resident ratio is an insignificant increase... In Central Maui, where the proposed Kanahā Hotel would be built, the estimated visitor ratio is below 10%.”* These statements from the DEIS are irrelevant. The Maui Island Plan uses the term “island-wide” when discussing the percentage of visitors, so the only relevant visitor percentage is based upon the population of the entire island; visitors are not limited to which section of the island they can go to. Even though Kahului has a lower average percentage of visitors, the island of Maui still has bypassed the visitor to resident ratio, and the issue needs to be addressed on an island-wide basis. The bottom line here is that Maui is already over the desired visitor percentage, and the Kanahā Hotel would make it worse.
4. On page 355 of Volume I of the DEIS, there is an incorrect reference to Maui Planning Commission Special Management Area Rules 12-202-12 (e). The section being discussed there is actually section 12-202-12(c)(2)(F).
5. The EIS needs to discuss the fact that both HRS §205A-26(2)(C) of the Special management area guidelines requires “That the development is consistent with the county general plan, community plan, and zoning; provided that a finding of consistency shall not preclude concurrent processing where a general plan, community plan, or zoning amendment may also be required.”

In addition, the required Special Management Area permit will mandate compliance with the general plan. Per Section 12-202-12(e)(2)(H) of the Maui County SMA Rules, “In considering the significance of potential environmental and ecological effects, the director shall evaluate every phase of a proposed action, its expected primary and secondary consequences, and its cumulative and short or long-term effects. A proposed action may have a significant adverse effect on the environment when the proposed action: Is contrary to the state plan, county’s general plan, appropriate community plans, zoning and subdivision ordinances.”

Since the Maui Island Plan is part of the Maui County General Plan, and the project would increase the number of visitors on Maui, which has already exceeded the desired percentage of residents as of November 2021. Per the attached press release from the Research and Economic Analysis Division of the Department of Business, Economic Development and Tourism, the average daily census of visitors in November of 2021 was 57,562. Stated in terms of Policy 4.2.3.a of the Maui Island Plan, the island-wide visitor population should not exceed roughly 33 percent of the resident population. Given a current Maui population of 154,100, the maximum number of visitors present should be less than or equal to  $154,100 \times 0.33 = 50,853$  visitors. The percentage of visitors as a fraction of residents in November, 57,562, was equal to  $57,562 / 154,100 = .3735 \times 100 = 37.35$  percent. Adding more visitors would increase this percentage, and

the EIS needs to discuss the fact that this would clearly be inconsistent with Maui Island Plan Policy 4.2.3, and would therefore violate both HRS §205A-26(2)(C) and Section 12-202-12(e)(2)(H) of the Maui County SMA Rules.

6. The information the EIS provides in regard to the proposed hotel contributing to diversifying Maui's economy is misleading and inaccurate. Building another hotel is in complete opposition to diversifying the overall economy, regardless of the targeted clientele.
7. Page 205 of the DEIS states, *"A business traveler hotel next to the airport and near the business center of Maui, designed for these types of individuals, will serve as a support feature for the diversification of Maui's economy."*  
Being a "support feature for the diversification of Maui's economy" is not the same thing as actually diversifying the economy. Additionally, it cannot be guaranteed that the "37.5% share of occupancy to out-of-state visitors" will remain at or below that level. Since hotel reservations will be open to all potential visitors, the possibility of the hotel being used more by out-of-state visitors than by residents of Hawaii traveling inter-island is a clear possibility and should be discussed.
8. The Reduced Intensity Alternative should better explore and disclose the financial feasibility of a 3-story hotel with 175 rooms. The DEIS mentions that the Reduced Intensity Alternative is environmentally superior overall if the project is financially feasible. However, the DEIS does not go into further detail as to whether the alternative option is in fact financially feasible. An environmentally superior option that is still financially feasible for the developer could have less impact and be better for the local community on Maui.
9. There are ongoing County efforts to limit the growth of visitor accommodations on Maui, including a moratorium on transient accommodations that was passed into law on January 7, 2022. The adoption of this ordinance means that the development of the proposed hotel would be illegal during the period of the moratorium, which will last for two years, or until tourism management measures are implemented. The EIS should discuss the proposed project in the context of this and other County efforts to bring tourist numbers down to the more sustainable level for reasons discussed extensively in the Maui Island Plan.
10. Page 197 of the DEIS states, *"As it relates to the moratorium on new transient accommodations, the market study finds that there is no correlation between visitor growth and the supply of hotel rooms. This finding is evidently supported in the market study by the fact that the number of visitors has increased at a compounded average annual rate of 4.8 percent between 2015 and 2019 (excluding the impact of COVID-19) while the number of hotel rooms have declined at the compounded average annual rate of -2.7 percent over the same time period. Thus, a moratorium on new hotels is unlikely to curb visitor volume."* The EIS cannot automatically conclude from this study that there is no correlation between visitor growth and the supply of hotel rooms. The EIS should discuss the study in the context of the multiple actions that Maui County has taken to limit the number of legal transient vacation rentals that have heretofore accommodated visitor growth (which will no longer be the case). The EIS should also discuss the study in the context of the multiple actions that the county has taken to find and eliminate illegal

transient vacation rentals, and the fact that the opportunity for growth in these transient vacation rental unit will no longer be available, as it was during the period of the study.