

APPROVED
MAY 4 1973

STATE OF HAWAII
LAND USE COMMISSION

Minutes of Meeting

February 16, 1973 - 7:30 p.m.

ILWU Memorial Hall
Lanai City, Lanai

COMMISSIONERS PRESENT: Goro Inaba, Chairman
Eddie Tangen, Vice Chairman
Alexander Napier
Leslie Wung
Stanley Sakahashi
Tanji Yamamura

COMMISSIONERS ABSENT: Shelley M. Mark
Sunao Kido

Staff Present: Tatsuo Fujimoto, Executive Officer
Ah Sung Leong, Planner
Gordan Furutani, Planner
Dora Horikawa, Clerk Reporter

HEARING

PETITION BY LANAI COMPANY (A72-349) TO AMEND THE LAND USE DISTRICT
BOUNDARIES ON THE ISLAND OF LANAI

For the benefit of the audience, Mr. Tatsuo Fujimoto, Executive Officer, briefly outlined the procedure to be followed during tonight's public hearing and also requested that persons wishing to testify sign the testimony forms.

Mr. Fujimoto further advised that a petition submitted by Miss Fay Ann Nakai containing 350 signatures, requesting deferral of the public hearing had been received. The reasons for the denial of this request, addressed in a letter dated February 14, 1973 to Miss Nakai was also presented by the Executive Officer (see copy of letter on file).

Thereafter, Chairman Inaba swore in persons testifying tonight, and called on the Executive Officer to present the staff report (see copy on file).

Mr. Donald Rietow, President of Lanai Company, explained that the petitioner's presentation would include the various phases of the development process of the proposed reclassification prior to the filing of the application for the boundary amendment, followed by an analysis

of the staff report and the ramifications of the proposed development. He emphasized that a substantial amount of time and effort had been expended by the petitioner and that the development plans had not been hastily conceived, but with a great deal of consideration for the overall welfare of the island of Lanai. Mr. Rietow called on Mr. Jack Sidener, planning consultant to Lanai Company, to elaborate on the various phases of the proposed development.

Jack Sidener

Mr. Sidener explained that the various maps posted on the boards showing studies of the island of Lanai from the management's point of view, were primarily the results of the work advanced in 1968 by a consultant team, of which he was a member, long before there was any concept of a development plan. Only in recent years have they been utilized for a planning concept.

Mr. Sidener continued that two of the maps dealt with environmental determinism, and proceeded with a detailed interpretation of the aerials, charts and maps dealing with geology, wild life and vegetation, soil classifications, soil erosion, rainfall, watershed and water source areas, existing land uses on Lanai, historic sites, slopes, etc.

From the information compiled through this environmental determinism process, areas for pineapple, forest and watershed areas, historic sites, water recharge areas, fishing sites, good lands not presently developed for agriculture, etc., were set aside and the remaining waste lands were then considered and planned for development.

Mr. Sidener added that there were previous plans for the island of Lanai but they were dispensed with since they had not been developed with the total island concept in mind.

With the exception of the proposed expansion of Lanai City, the resort and urban areas, residential areas, extension of small rural areas, new concept of country home areas, the plan for Lanai which was developed for Lanai Company in September of 1971, was similar to the County General Plan in existence for 7 years.

Mr. Sidener also called the Commission's attention to the official County of Maui General Plan for the Island of Lanai, adopted by ordinance by the Council.

It was further submitted that the intent of the plan was to control population and develop a balanced economy where no more than a third of the people will be dependent on the plantation operation.

On the subject of water availability, Mr. Sidener claimed that the engineers had advised that not only will it be unnecessary to develop additional sources, it may even be possible to consider a cutback through means of a more efficient pump and delivery system.

The projected highway and arterial system would take into consideration the preservation of scenic amenities. The entire coast and beach areas will remain permanently accessible to the general public.

Donald Rietow, President of Lanai Company

In reviewing staff's analysis of the subject petition, Mr. Rietow felt that contrary to the staff's contention that the request was inappropriate under the boundary amendment procedure, the petitioner has demonstrated the tremendous depth of the study for the island of Lanai and that the Commission could properly consider the application under the boundary amendment procedure.

Also in response to questions raised by the staff in the report, Mr. Rietow submitted that septic tanks will be installed by individual owners and sewage plants will be required for condominium, cluster and hotel developments. Insofar as the cost for the lots was concerned, Mr. Rietow stated that it would be difficult to arrive at an accurate figure since this will be influenced by many factors which were not yet resolved.

It was also planned to sell the land in fee for residential lots to individuals, who in turn will construct their own homes. However, since it is extremely important to protect farm lands, anything representing agricultural lands will be under lease. Further, Lanai Company will develop the water system.

Mr. Rietow emphasized that it was extremely important in their total calculations to consider the entire plan for the island of Lanai in terms of the various proposed uses, water system, roads, etc. He assured that the petitioner will work hand in hand with the State and County to reach an agreement on the total plan and thereafter will cooperate closely with the County of Maui in implementing the plan for Lanai, with input from the best judgment of experts, layman, people of the community.

Moreover, in addressing one of the most important issues, that of protecting the economic base for the island of Lanai, especially for the residents and the young people who will be returning to make their homes on Lanai, Mr. Rietow stated that it was imperative to start planning now.

Mr. Rietow continued that Lanai is basically a recreation outdoor type of community and the whole concept was based on that premise. The entire program was aimed at improving the quality of life on Lanai and he felt that one of the criteria for achieving this goal was through population control. He also confirmed that the 20-acre lots will not be further subdivided and that this will be recorded with the Bureau of Conveyances in the deed.

Howard Nakamura, Planning Director, Maui Planning Department

Mr. Nakamura advised that the first General Plan for Lanai was adopted by the County on September of 1967. Approximately two years ago, the County was approached by Lanai Company to update the Lanai General Plan to provide realistic guidelines for the future of Lanai.

The County's major concern has been to provide reasonable economic alternatives for the people who are presently dependent almost entirely on a single activity--that of growing pineapple. While the County believes that pineapple will continue to be a viable industry of the County's economy for many years, recent events have emphasized the fact that the pineapple industry is a troubled one as evidenced by the experience on Molokai where 600 persons will be unemployed by 1975 due to the curtailment of pineapple production. However, with the foresight of both the State and the County and support of the Land Use Commission, there was one major economic alternative--that of resort development on Molokai. For those who oppose this alternative on the basis of possible adverse effects on the environment, Mr. Nakamura observed that a much more important issue was at stake--the very future and existence of the people of the community. Therefore, while again it was the County's hope that pineapple will continue to be a major economic factor for the island of Lanai, it was important to look ahead at this time to afford the people of the island an opportunity based on choice and not on necessity.

On this basis, the County has adopted the Lanai Company's proposed amendment to the General Plan, bearing in mind that this is not a perfect plan, but one where details will have to be clarified and implemented through zoning and subdivision procedures, and development will occur under carefully planned control with realistic staging in reasonable increments, and with the direct participation of the County and the residents of Lanai.

The following are resumes of presentations made by Lanai residents and interested citizens in the community.

Miss Harriet Minami, resident and social studies teacher of Lanai High School

The main thrust of Miss Minami's concern evolved around the

sociological impact of the development plan; more specifically her fears that the existing city with its older homes will eventually become the ghettos or slums of Lanai with the construction of more expensive homes of the affluent which may in turn generate resentment among the present residents. Another problem would be the conflict that may arise between the local residents and tourists over the limited beach facilities. She urged that the Land Use Commission reject the subject petition until a thorough sociological impact study can be made. (See copy of testimony on file).

Mr. Dexter Del Rosario, Resident and Student at the University of Hawaii

Mr. Del Rosario testified that some of the possible implications of the proposed development would be the inaccessibility of the housing market for the residents due to their economic level, contrary to petitioner's claim to "improve the quality of life" for Lanai residents; the competition for the recreational resources and goods and services which would adversely affect the present residents; and the loss of the rural quality and charm of Lanai. Since Lanai Company's plan raised too many critical questions in regard to the benefit to the local residents, Mr. Del Rosario also urged that the rezoning request be rejected until further studies can be made over the effect of the development to the local residents (see copy of testimony on file).

Mr. Dennis Hokama, former resident

In opposing the subject petition, Mr. Hokama quoted extensively from the Hawaii Tourism Impact Plan which was released in 1972 by the Department of Planning and Economic Development, which is summarized as follows:

1. Resort and tourist related developments were poor investments due to rising public costs.
2. In view of the low wages offered by the tourist industry, it is doubtful whether young people will be willing to remain on the home islands to work in hotels.
3. Agricultural workers may be incapable of making the transition since occupational structure of plantation workers is different from the visitor industry trade.

Mr. Hokama concluded that social costs will be high since the average income of the worker in the tourist related industry will probably be less than what he is currently earning on the plantation and may place him in the poverty category (see copy of testimony on file).

In response to Vice Chairman Tangen's question, Mr. Hokama admitted that he had not communicated his thoughts or the foregoing analysis to Lanai Company, the Advisory Committee, County or State personnel.

Rams
Mrs. Elizabeth Rams, resident and housewife

Mrs. Rams expressed her fears that drugs and vandalism will become problems on Lanai with the proposed development and accompanying population increase; the loss of beaches, fishing and hunting grounds; the rise in cost of living; and the end of the pineapple industry.

Mr. Allan Starr, owner of a kuleana on the eastern portion of Lanai, directed a question to Lanai Company regarding the exclusion of his property when previously it had been agreed to include it as part of the petition. Vice Chairman Tangen explained that we were here tonight conducting a public hearing to receive testimony pertinent to the petition and that Mr. Starr's personal problems with Lanai Company should be settled directly with them.

Mr. William Saunders, attorney representing Mr. Starr, submitted that Mr. Starr had not authorized the withdrawal of his parcel which had been part of the original petition by Lanai Company and urged that it be included on a legal and technical basis. He acknowledged that this was a legal question which undoubtedly would have to be amplified by the Attorney General.

Mr. Saunders also commented on the merits of the petition. He noted that an economy based on agriculture alone was no longer feasible, as demonstrated by the phasing out of pineapple on the other islands, and that the proposed development could only mean an improvement for Lanai in the sense that it will make it economically possible for the young people to remain with their families on the island.

Miss Sophie Ann Aoki, representing Life of the Land

Miss Aoki remarked that generally they were in agreement with the staff's findings and recommendation. She also expanded on the analysis and recommendations found in the Hawaii Tourism Impact Plan, and raised questions relevant to the increase in cost of housing, taxation, and the level of income to be derived from the tourist industry. She seriously doubted whether tourism was the type of industry to depend on if indeed the concern was to attract the young people back to the island. Miss Aoki also called the Commission's attention to the recommendations made in the study; i.e. statewide emphasis on moderate and low income housing and recreational needs; declaration of statewide moratorium on additional zoning for resort development because of the danger of overbuilding; the Land Use Commission's policy to recommend zoning only on an incremental basis for large projects.

It was Miss Aoki's contention that resort development will skyrocket land costs, bring pressure for higher density, increase the need for low cost employee housing. She alleged that Lanai Company's contribution to the housing crisis consisted primarily of vacation, resort and condominium type development, and that it had consistently refused to discuss even estimated price ranges of the proposed development.

Miss Aoki continued that change will unquestionably come to Lanai but was concerned about the kind of change that will take place.

In conclusion, Miss Aoki petitioned that the Land Use Commission respond to the following requests from Life of the Land:

1. Compliance with the Governor's Executive Order requiring an Environmental Impact Statement on all major state actions that significantly affect the quality of the physical and human environment, before rendering a decision on the rezoning application.
2. A legal ruling on the legality of three of the Commissioners present whose terms have expired.
3. The Lanai plan be made available to the residents of Lanai at a public building.
4. The petition not be acted on now; or if it is acted on now that it be denied.

In response to Commissioner Sakahashi's observation that Life of the Land has consistently opposed any and all developments, and whether it had any alternative suggestions to make in terms of the economic ramifications to the island residents when pineapple is eventually phased out, Miss Aoki replied that pineapple is guaranteed to be forced out much sooner if the Land Use Commission acts positively on the pending request than it would otherwise. She felt that if the present plans were set aside and Lanai Company were made to understand that it is not going to be allowed to proceed with its proposed plans, the pressure to urbanize would be eliminated.

Vice Chairman Tangen countered that no official was prepared to guarantee the phasing out of pineapple as a result of its action. It was the Commission's responsibility to accept all testimony and evidence, for or against the application, and to differentiate between facts and opinions. He said he was interested in Miss Aoki's reaction to a program which would reverse siltation runoff, erosion damage to the beaches and reefs, a program which would double the water reserve, provide 5,000 additional acres for diversified farming. Miss Aoki

allowed that there are some commendable aspects to the total plan but argued that it was questionable whether these will occur as presented. She acknowledged that she was aware of the Commission's authority to impose conditions on reclassification approvals but that she was also aware of the past record.

Vice Chairman Tangen advised that the petition under discussion had been before the County of Maui and therefore was public knowledge for a long time and inquired whether Miss Aoki had at any time transmitted her thoughts on the matter to either the Lanai Company, the Lanai Advisory Committee, the County or the State, to which she replied that she did not feel this was incumbent on her or anyone who testified tonight. Vice Chairman Tangen then concluded that the petitioner had not ignored Miss Aoki's remarks or concerns.

Mr. Robert Hera, resident

Mr. Hera submitted that he was in full agreement with the Lanai plan, and that the proposed development will offer job opportunities to enable the residents to remain on Lanai after the phasing out of pineapple, not only within the tourist industry, but within other services such as in the medical profession, police protection, banks, etc., which will be necessitated by the increase in population.

Mr. Steven Montgomery, graduate assistant in entomology from the University of Hawaii

In a prepared statement authored by Mr. Montgomery and Mr. Glen E. Spence, it was requested that the "Kanepuu Dry Forest" located on the northwest end of the island in the Kaa district, be considered for land classification change from the present Agricultural into the Conservation District. Mr. Montgomery enumerated the reasons for this request as follows:

1. It is the only example of a pua (*Osmanthus sandwicensis*) dominated forest in the world, and as observed by Dr. Raymond Fosberg, Special Advisor for Tropical Ecology at the Smithsonian Institute: "It is apparently the sole remaining good example of the type of dry land forest which must have covered great areas in the lowlands".
2. Two very rare plants to Lanai are restricted to Kanepuu and a third is found in greatest concentration there.
3. The importance to the scientific community as well as the general public to preserve and maintain this forest.

Mr. Montgomery also offered as supplementary testimony a full plant ecology report (see copy of testimony and ecology report on file).

Vice Chairman Tangen requested that Mr. Montgomery mark off the Kanepuu Dry Forest area on the maps in the Land Use Commission's office in Honolulu.

Mr. John Del Rosario, resident

Mr. Del Rosario noted that the majority of the previous speakers resided outside of Lanai and expressed his belief that the decision for the future of Lanai should lie with the people of Lanai. He endorsed Lanai Company's foresight in planning ahead for the island's future.

Mr. Goro Hokama, Maui Council Chairman

Mr. Hokama submitted that he was addressing his remarks as those of a concerned resident of Lanai. He touched upon the makeup of the Advisory Committee consisting of 5 members which included a representative from the Filipino Community and union, a teacher, an employee of Dole Company, a businessman and himself.

Mr. Hokama stated that he has worked with the union for over 30 years and wanted a better life for the membership who deserved a choice of employment not limited to the physically demanding life of a plantation worker. He spoke of the hardships which his generation had endured. He felt that the impact of the tourist industry will create not only hotels but, the resultant increase in population will necessitate additional services, schools, new businesses, etc. This in turn will create a choice of employment to make it economically feasible for the young people to remain on Lanai.

Mr. Hokama admitted that there were minor points on which he differed with the plan but that he agreed on the general concept.

Taking exception to Life of the Land's negative position, Mr. Hokama wondered how that organization proposed to resolve the plight of the residents when jobs were no longer available. He maintained that a decision which affected the future of the Lanai residents should be made by the residents.

In conclusion, Mr. Hokama requested that in arriving at a decision the Land Use Commission take into consideration the welfare and future of the people of Lanai who would like to spend the rest of their lives on Lanai.

Since there was no further testimony, Chairman Inaba declared that the hearing on this petition was closed and advised that additional testimony will be received by the Commission within 15 days from the date of this hearing.

Thereafter, the meeting was adjourned.