

STATE OF HAWAII
LAND USE COMMISSION

Minutes of Public Hearing

Cafetorium, Kam III School

Lahaina, Maui

May 8, 1965 - 2:00 P.M.

Commissioners Charles S. Ota
Present: C.E.S. Burns
Jim P. Ferry
Goro Inaba
Shelley M. Mark
Shiro Nishimura
Robert G. Wenkam
Leslie E. L. Wung

Absent: Myron B. Thompson

Staff Raymond S. Yamashita, Executive Officer
Present: Roy Takeyama, Legal Counsel
Gordon Soh, Associate Planner

The public hearing was called to order by Acting Chairman, Charles S. Ota. Chairman Ota introduced the Commissioners and staff members. All persons presenting testimony during this hearing were duly sworn. The procedures to be followed were outlined by the Executive Officer.

PETITION OF MAUI PINEAPPLE COMPANY (A(T)64-70), FOR A BOUNDARY CHANGE TO ADD ABOUT 178 ACRES PRESENTLY IN AN AGRICULTURAL DISTRICT AND 136 ACRES PRESENTLY IN A CONSERVATION DISTRICT TO THE HONOLUA URBAN DISTRICT FOR RESORT, HOUSING AND OTHER DEVELOPMENTS: Described as a portion of Second Division TMK 4-2-01

Mr. Gordon Soh presented the background and analysis of this petition (see report on file). The staff recommended denial of this petition on the basis that the petitioner has not submitted the evidence required by statute.

Mr. Edward Holroyd of Alexander and Baldwin spoke on behalf of Maui Pineapple Company (see statement on file). He stated that his company has been actively working on this project for some time and had hoped to provide the Commission with more details and information before this hearing, but that studies had not advanced to that point. He advised that Belt, Collins & Associates had been retained as planners, and Harris, Kerr, Forster and Company as resort development financial advisers. His company feels that the proposed project has merits and would contribute to the economic well-being of west Maui. Extension of the present urban zoning in the Napili-Kai area, and realignment of the present highway are proposed. Located above the realigned road would be the present

Maui Pineapple Company's facilities and a fee simple residential development. This development would take care of the needs of Maui Pineapple employees for fee simple homesites. This need would require approximately 80 of these proposed lots. In addition to this there will be about 140 additional lots to be made available on a fee simple basis.

The balance of the project area will include two major hotel sites. It is envisioned that there will also be development of the Alaeloa type of subdivision construction and some low cost rental units. Surrounding areas can be added to this complex if the market demand indicates that this is the proper and better use for this property.

Maui Pineapple Company is planning to go ahead with the major installation of utilities for this project. The water system would be brought down from the Maui Pineapple Company's irrigation ditch through a filtration plant. A sewer system will be provided which meets the standards of the County. The problem of flooding in the Honokahua area has been taken care of and money has been set aside to take care of this. The estimated costs are as follows:

water system	\$590,000
sewer system	\$430,000
flood control project	
approximately	\$103,000

The total cost for utilities is \$1,123,000. Mr. Holroyd advised that realignment of the highway through this area is proposed and that a favorable indication has been received from the State for this realignment.

Mr. Holroyd stated that at present it is difficult to say what the market will be for the total project. However, from studies made by Harris, Kerr, Forster and the State on the tourist business, indications are that there will be a great demand for hotel rooms by 1967 and a continued growth by 1970. Considerable interest has been shown in the Napili Kai Hotel which is a small motel type operation, and this type of operation could fit well into a residential area. Mr. Holroyd advised that Mr. Westgate, developer of Alaeloa, is interested in this type of project for this area. This could immediately allow for a 20 acre plot to be put to that particular use. Maui Pineapple Company's position at the present time is that until they can be specific and have the land available, this is as far as they can go with their discussions and contacts with these people. However, from the interest shown in this area, Maui Pineapple Company is concerned that because of the time lag in installing improvements, the demand cannot be satisfied fast enough.

He pointed out that many west Maui and Honolulu people have bought homes in the Alaeloa development. He stated that Maui Pineapple would not embark on this venture if it were not sincerely convinced that there is a market for what they propose. It was only last month at the Maui Pineapple Company that the Maui Pineapple Company Board committed the company to the project.

He advised that if this Commission approves this project, an engineering firm would be immediately retained to start with detail engineering specifications

including specifications for the sewer system. After about six months these plans would be ready to be put out for bid, and this phase of the project would be under way. Detailed planning for the fee simple residential subdivision will be done immediately and the subdivision would be under way next year. The subdivision would be done in increments to facilitate relocation of the present residents. Existing sewer and water lines would be used temporarily if construction of new improvements is lagging.

Plans are to complete negotiations with hotel operators so that the hotel would be completed simultaneously with the completion of the sewer and water systems. The general plan for the area will remain flexible until determination can be made as to the market and demand for this area.

Maui Pineapple Company has ample resources to proceed with this program. Over \$30,000 in fees has been spent for this project, in addition to staff services and time. In excess of \$25,000,000 will have been expended upon total completion of the project. All of the money will not be put up by Maui Pineapple Company. Project participants will bear their own expenses, which may run the total up to 40 to 45 million dollars. The economic benefit of a program such as this is demonstrated by the contribution of Kaanapali developments.

Mr. Colin Cameron summarized briefly the impact that the development will have on plantation field operations of Maui Pineapple Company (see statement on file). The company proposes to remove 101 acres of pine land in the project area from pineapple production. The pineapple areas would be converted to condominium single-family housing. The company owns 425 acres in twelve different locations which can be converted to pineapple production to make up for acreages lost to production. Not all the acreage need be used. These will be converted on an overall company expansion program. Most of these twelve areas are adjacent to present fields.

The lands being removed from pineapple production are average lands; 37 acres are classified as B or above average; 33 acres in C; and 31 acres in D land, in the low average class. The substitute land is essentially of the lower grade and classified as D and E. Most of the land, however, farmed by Maui Pineapple Company in the area are below the average of pineapple lands in the State.

Mr. Cameron stated that the removal of pineapple lands in the project area will not affect production in any way. He explained that the pineapple industry in Hawaii as a whole has not expanded total acreage during the last ten years except at a very moderate pace. He pointed out that acreage productivity has increased and continues to increase and that pineapple needs in the foreseeable future could be supplied on no more than present acreages.

Mr. Cameron added that Maui Pineapple Company essentially supplies a private label market which is a degree removed from the national market for pineapple. He also added that his company has just completed a long term program of field expansion which represents the result of the elimination of a couple of small companies in the State that were also in the private label field. Presently Maui Pineapple Company is the only large private label producer with the

exception of Haserot Pineapple Company on Maui. Mr. Cameron emphasized that it does not appear that additional lands will be required for further expansion.

Summarizing, Mr. Cameron stated that due to the relatively stabilized condition of the Hawaiian pineapple market, the continuing record of the agricultural improvement, and the available pineapple acreage, the removal of the 101 acres presently in pineapple will not affect the amount of pineapple the company will produce.

Mr. Walter Collins of Belt, Collins, and Associates, consultants for Maui Pineapple Company, briefly outlined the recent changes that have been made to the development proposal and to the petition.

Mr. Collins stated that the principal hotel site in Kapalua Bay consists of 20 acres, sufficient in size for a low-rise, low-density hotel comprising approximately 250 units. A schematic plan of the hotel development was drawn which in general shows the central facilities overlooking the coconut grove surrounding the shoreline and up along higher ground would be two tiers of cottage type buildings. An important part of the plan, leaving still considerable acreage in the hotel site, would be retention and development of tree plantings.

Mr. Collins emphasized that in looking at hotel sites throughout the island, this area is the finest hotel site. In reference to the other hotel site along Honokahua Bay, Mr. Collins pointed out that it is a unique site ideally suited for a low-rise 250-unit Polynesian type of hotel. Both hotels would occupy approximately 20 acres, and both designed to be residential in character.

Mr. Collins advised that the area between the two hotel sites -- about 70 acres -- would be the location for vacation homes. The area overlooks Oneloa Bay with a superb view looking toward Lanai and Molokai. This type of development would come under the present county plan unit development and has a density of no more than 7 units per acre. Housing would be developed in clusters leaving a great amount of land as open space to provide protection from winds. Mr. Collins pointed out that with improved transportation there is a growing market in Hawaii for residential developments of a permanent nature on the outside islands as well as a market for vacation homes.

Fee simple homesites would be provided, both for the present employees and for development of a new, stable community, in a village which would be called Honolua. Mr. Collins pointed out that the preliminary plan shows 225 lots and a park site adjoining the present ball park. This area would be above the proposed alignment of the new highway and the proposed shopping center.

The core of commercial, public and community activities, as well as the maintenance compound of Maui Pineapple Company, would be located below the main highway. Considerable thought will be given to beautification. Adjoining the core would be an area primarily for rental housing to provide space for hotel employees.

Two other residential areas are proposed, one approximately 17 acres and the other 26 acres, which would be developed for single family residential use. The

approximate density of this area would be between three units per acre and seven units per acre.

The two peninsulas would be kept as open areas. An important feature of their plan is to bring the principal avenue in Honolulu straight down, across the existing county road and down to the ocean, with a view overlooking the coastline. Mr. Collins felt that this would be a very significant feature to the entrance of the Honolulu community. Another circulation route which Mr. Collins thought would be of importance to the Commission is the retention and improvement to the existing road alignment circling the Kapalua Hotel site down to the Coast Guard location and to the point, so that access would be granted from this road to the hotels and residential area. This would be a public right of way. The internal roads through this area should be considered when the development plan of cluster housing is finalized.

Mr. Robert Ohata, Maui County Planning Director, supported the petitioner's request on the bases that:

1. The submitted proposal would join the two urban areas to form a continuous urban district all the way to Kaanapali.
2. The proposed development is part of the major destination area for the west side of Maui.
3. All statements presented to the Commission at this hearing substantiate that there is a need for this development.
4. There has been a tremendous demand for urban uses in the area and that zoning changes have been processed by the County of Maui at the rate of two or three per month.
5. The change meets the needs of not only the owners and developers but also for the County of Maui.

Commissioner Ferry asked Mr. Collins to explain to the Commission how they propose to advise the developers in maintaining the beach frontage throughout the entire makai area under petition. Mr. Collins responded that the Honolulu community park would tie in with the beach area along Honokahua Bay which is a very extensive beach. Mr. Collins commented that the character of this magnificent coastline and beautiful beaches should be maintained and that is why his firm recommends that the use areas be shown on high ground overlooking the beach.

Mr. Collins felt that the nature of the Kapalua site for a hotel is completely intimate, relative to a small bay and that the hotel site should include the entire area of the bay. Kapalua Beach is a very small narrow beach. The development would follow the curve of the bay and be closely connected to the coconut grove and to the shoreline. He added that Kapalua Bay is a tremendously attractive site for a hotel because of this.

In response to the question as to whether this beach would be restricted to use by the public, Mr. Collins replied that semi-public use would be permitted.

Commissioner Wenkam expressed disagreement with Mr. Ohata's statement that the requested change would meet the needs of the County of Maui. He stated that as the number of hotel rooms increase, as urban resort areas increase, and as the number of tourists increases, there must be a corresponding expansion of tourist recreational facilities. Commissioner Wenkam pointed out that one of the reasons this area was originally zoned Conservation was to help preserve scenic areas and beach reserves. Commissioner Wenkam asked why these areas shouldn't remain in the Conservation District since the petitioners felt that all of the shoreline should remain open space. Commissioner Wenkam stated that the resort areas proposed should also remain in the Conservation District -- since resort activities are permitted in the Conservation District.

Commissioner Wenkam also wondered if any of the roads proposed here are simply internal roads or whether any provisions were made for public parking or public picnicking or other public use of these open space lands. Commissioner Wenkam asked if consideration was given to turning the area of Hawea Point and the Coast Guard Station into a County or State park in order to assure that local residents and tourists alike of access to the shoreline.

He expressed also concern that the highway is being moved mauka and commented that in too many cases roads are being located to the benefit of the private developer and to the detriment of the tourist and the island residents who would like to see a little of the shoreline.

In answer to Commissioner Wenkam's comments and inquiries, Mr. Holroyd explained that one of the reasons for requesting the rezoning of this area instead of leaving it in the Conservation District is the great investment in supplying the utilities to the area. Petitioners feel they must have the flexibility within the zoned area. Moreover, he suggested that his company was leaving considerable areas open for use by the public.

Mr. Collins expressed agreement with Commissioner Wenkam on the scenic qualities of the highway but emphasized that a completely new community is to be developed which can be distinctly different and unique from other areas in the State and which will have the character of a true vacation land.

Mr. Collins also reviewed the unofficial State figures on hotel room projections which indicates by 1980 a need for an additional 20,000 rooms. Mr. Collins asserted that his firm's projections made in 1959 for the Visitor Destination Studies were virtually the same as the State's. His firm had recommended in these studies, and still recommends to the State that different types of visitor accommodations be developed. Mr. Collins expressed the feeling that hotel accommodations should be residential in character to blend with vacation residential homes to be offered in the project area and to contrast with "cell-block" hotel accommodations being offered elsewhere in the State.

Commissioner Wenkam then suggested to Mr. Collins the site for this type of resort would better be left in a Conservation District. Mr. Collins replied that the project should be viewed as a total community of streets, cluster homes, hotels, landscaping, and additional recreation areas. Enhancement of the property in this fashion requires that it can be done with confidence.

Commissioner Wenkam asked if the general public will be granted access to the shoreline. The reply was yes.

Commissioner Ferry stated that Commissioner Wenkam's concern about keeping the shoreline area in Conservation is only in effect trying to keep the zoning functions in the State through the Board of Land and Natural Resources and that if it were converted to an Urban District, the zoning control would be in the County. He felt there was great merit in the suggestion that access routes be maintained either by way of roadway or even to the coastline.

Commissioner Nishimura asked if there has been any park proposals made for the Kapalua Bay area. Mr. Ohata replied that there is a Coast Guard Station there and that one of the members of the Board of Supervisors has conferred with the federal authorities to negotiate a plan.

Commissioner Nishimura further asked if the County had in mind a park area for the west side of the project area. Mr. Ohata stated that the County has no plans there but that a study was being conducted for a new school-park site at Honokowai.

Mr. Ohata agreed with Commissioner Wenkam's view that there is a need to preserve scenic and coastal areas along the sea and to prevent them from becoming too urbanized. However, Mr. Ohata maintained there is also a need for development as well as conservation. He pointed out that these two objectives are conflicting at times and that it is almost impossible to have both. Mr. Ohata stated that Maui needs urbanization and economic development in certain areas.

Commissioner Nishimura asked Mr. Collins how long it would take to develop the area under the plan. Mr. Collins replied that 425 acres would be involved and that Mr. Holroyd estimated that it would probably be 1971 or 1972 by the time they got the whole project really moving along.

Commissioner Mark inquired if there will be an economic feasibility study based on the hotel development or on the residential development. Mr. Holroyd's response was that the economic feasibility study by Harris, Kerr and Forster would aim primarily at the tourist resort aspect.

Following a brief summary of the Harris, Kerr and Forster report, the Executive Officer asked if there are any justifications for the physical quantities of the different land uses shown. Mr. Collins made a brief but indefinite reply.

Commissioner Mark asked if the matter of the relocation of the highway has been discussed with the appropriate State officials if any estimate has been made on the cost of relocation. Mr. Holroyd replied that they have done so in a general and preliminary manner. The preliminary cost was estimated at between \$500,000 and \$550,000.

In response to Commissioner Ferry's inquiry as to whether the new highway realignment carries the recommendation of the Department of Transportation, Mr. Holroyd responded they haven't received any details to that degree yet.

Since there were no additional testimonies or comments from the public or the Commission, the Chairman pointed out that the staff's recommendation for denial was on the basis that the petitioner at the time the staff report was written, had not answered the basic question of the need for additional urban land. The Chairman announced that the petitioner has 15 days in which to submit additional written testimony and that the Commission will take action on this petition 45 to 90 days from this hearing.

In closing, Commissioner Mark requested that the petitioner reconsider in the 15 days how the plans could be or could not be adjusted within the concept of the existing Conservation zone.

The public hearing on the petition of Maui Pineapple Company was closed.

The meeting was adjourned.