

February 7, 2022

Jordan E. Hart, Deputy Director
Department of Planning
Lānaʻi Planning Commission
County of Maui
2200 Main Street, Suite 315
Wailuku, Hawaiʻi 96793

SUBJECT: 2nd Draft Environmental Assessment for Proposed Miki Basin Industrial Park at TMK (2)4-9-002:061 (por.), Lānaʻi, Maui, Hawaiʻi

Dear Mr. Hart:

Thank for your letter dated December 22, 2021, providing the Lānaʻi Planning Commission comments regarding the 2nd Draft Environmental Assessment (EA) for the subject project. On behalf of Lānaʻi Resorts LLC, a Hawaiʻi Limited Liability Company, doing business (dba) as Pūlama Lānaʻi (Applicant), we appreciate the commission taking the time to provide us comments on this 200-acre master-planned light and heavy industrial development.

On behalf of the Applicant, we offer the following responses to your comments which are presented in **Exhibit A**, herein.

We appreciate your input and will include a copy of your comment letter and this response in the Final EA. Should you have any questions or require further information regarding the proposed project, please contact me at (808) 244-2015, extension 221.

Very truly yours,

Chris Sugidono
Senior Associate

CEJS:ab

cc: Scott Derrickson, State Land Use Commission
Keiki-Pua Dancil, Pūlama Lānaʻi
Calvert Chipchase, Cades Schutte

K:\DATA\Pulama Lanai\MikiBasinExp 1769\Applications\Draft EA\0 2nd DEA Response\LPC-Cover Letter.docx

Comment No. 1:

- (A) *Provide detailed discussion and clearly articulate what potential uses are proposed for the areas to be zoned “M-1 Light Industrial District” (current Community Plan of Light Industrial) and “M-2 Heavy Industrial District” (current Community Plan of Heavy Industrial).*
- (B) *Which of the “Special Uses” in the proposed “M-2 Heavy Industrial District” that will require a County Special Use Permit are anticipated?*
- (C) *Is any “M-3 Restricted Industrial District” zoning proposed in the area with a Community Plan of Heavy Industrial?*
- (D) *On page REF-8 the term “other uses” is used for future industrial activities. Please be more specific on what “other uses” may be. Based on our review, we have determined that the project is subject to Chapter 2.96, Maui County Code, and does require a residential workforce housing agreement.*

Response:

- (A) The graphic below provides a summary by the identification of use type (i.e., Heavy Industrial (M-2) and Light Industrial (M-1)). For convenience, **Exhibit A-1 and A-2** are provided as references to Chapter 19.24 M-1 Light Industrial District and Chapter 19.26 M-2 Heavy Industrial District, respectively.

Identified Use (Community Plan)	Year 1 to 10	Year 11 to 20
Heavy Industrial Use (M-2)	<ul style="list-style-type: none"> ▪ Relocating existing industrial uses (i.e., concrete recycling and rock crushing operation and existing asphalt plant) 	
Heavy and Light Industrial Use (M-2 and M-1)	<ul style="list-style-type: none"> ▪ Renewable energy projects (e.g., Photovoltaic plus battery energy storage) ▪ Current Request For Proposals include an expected guarantee commercial operation date (GCOD) of August 2025, developers are encouraged to have a GCOD date of December 2024 	
	<ul style="list-style-type: none"> ▪ Other New industrial uses 	<ul style="list-style-type: none"> ▪ Other New industrial uses

- (B) Maui County Code (MCC) 19.26.040 Special Uses contemplated in the Miki Basin Industrial Park, include the relocated asphalt plant, distribution of rock, sand, and gravel as well as the crushing of rock and recycled concrete.
- (C) At this time, “M-3 Restricted Industrial District” zoning proposed in the area with a Community Plan of Heavy Industrial is not contemplated.
- (D) The 26 acres of new industrial uses will consist of industrial related uses allowed under “M-1, Light Industrial” and “M-2, Heavy Industrial” zoning. While the exact uses have not been identified at this time, the EA provides examples of potential future new industrial uses. The uses are permitted by zoning. Those uses identified as Special Uses by the zoning ordinance will seek a County Special Use Permit from the Lānaʻi Planning Commission. Refer to **Exhibit A-1** and **Exhibit A-2**.

Comment No. 2:

- (A) *Identify in greater detail potential water usage in relation to anticipated future uses. Anticipated water demands for the concrete batching plant, asphalt plant, and renewable energy project are shown in page REF-62.*
- (B) *For anticipated future uses given by answering Question# 1, provide estimated water demand for each of these defined potential uses, rather than just an aggregate number of 156,000 GPD for “New Industrial Uses.” There is concern that certain special uses such as animal processing/slaughterhouses may use considerable water supply; consequently estimates of water usage by specific activity is requested.*

Response:

- (A) The water demand for anticipated uses within the Miki 200 Industrial Park was provided on page REF-62 of the Draft EA, Table 2 in gallons per day (GPD). “Other New Industrial Uses” are not defined in greater detail because at this time, there are no specific development plans for those “other new industrial uses.” The State of Hawaiʻi Water System Standards, Table 100-18 provides the domestic consumption guidelines for average daily demand by zoning designation.¹ The average daily demand for the Maui County zoning designation category of “Light Industry” is 6,000 gallons per acre, which was used for planning purposes for the proposed project. There are 26 acres designated in the Miki Basin Industrial Park for “Other New Industrial Uses.” The estimated average daily water demand for the

¹ <https://www.mauicounty.gov/DocumentCenter/View/120401/DWS-2002-Water-System-Standards> Page 111-3.

“Other New Industrial Uses” was determined by multiplying 6,000 gallons per acre by 26 acres, which is 156,000 gallons per day.

It should be further noted that the Lāna‘i Community Plan states in the Economic Development Section, under Strategy 1A, the following:

“Diversify Lāna‘i’s economy by attracting and developing new industries, providing appropriate infrastructure, and increasing the supply of commercial and industrial spaces.”²

Due to the lengthy entitlement process to re-zone land, the applicant is re-zoning the Miki Basin Industrial Park that was identified in the Community Plan. At this time, there are no specific details for the 26 acres; however, ensuring that there is “supply of commercial and industrial spaces” fulfills this strategy identified in the Community Plan.³

- (B) See response to **Comment 2(A)**.

Comment No. 3:

- (A) *What was the underlying reason for the Community Plan area of 35 acres noted as “Light Industrial” extending into the area mauka of Miki Basin Road known as the Palawai Basin area?*
- (B) *Why is the “Light Industrial” Community Plan District not contiguous?*

Response:

- (A) The Lāna‘i Community Plan did not provide details on why the area mauka of Miki Road was included as “Light Industrial.” As mentioned in response to **Comment 02(B)**, the Applicant is carrying out what was identified in the Community Plan—re-zoning the area identified by the community in the Community Plan.⁴ **Figure 1** of the Lāna‘i Community Plan, below is provided for convenience.

² See Lāna‘i Community Plan (Page 6-3) at the following link:

<https://www.mauicounty.gov/DocumentCenter/View/105983/2016-Lanai-Community-Plan->

³ See Lāna‘i Community Plan (Map 9.4 Airport Land Use Detail) at the following link:

<https://www.mauicounty.gov/DocumentCenter/View/105983/2016-Lanai-Community-Plan->

⁴ See Lāna‘i Community Plan (Map 9.4 Airport Land Use Detail) at the following link:

<https://www.mauicounty.gov/DocumentCenter/View/105983/2016-Lanai-Community-Plan->

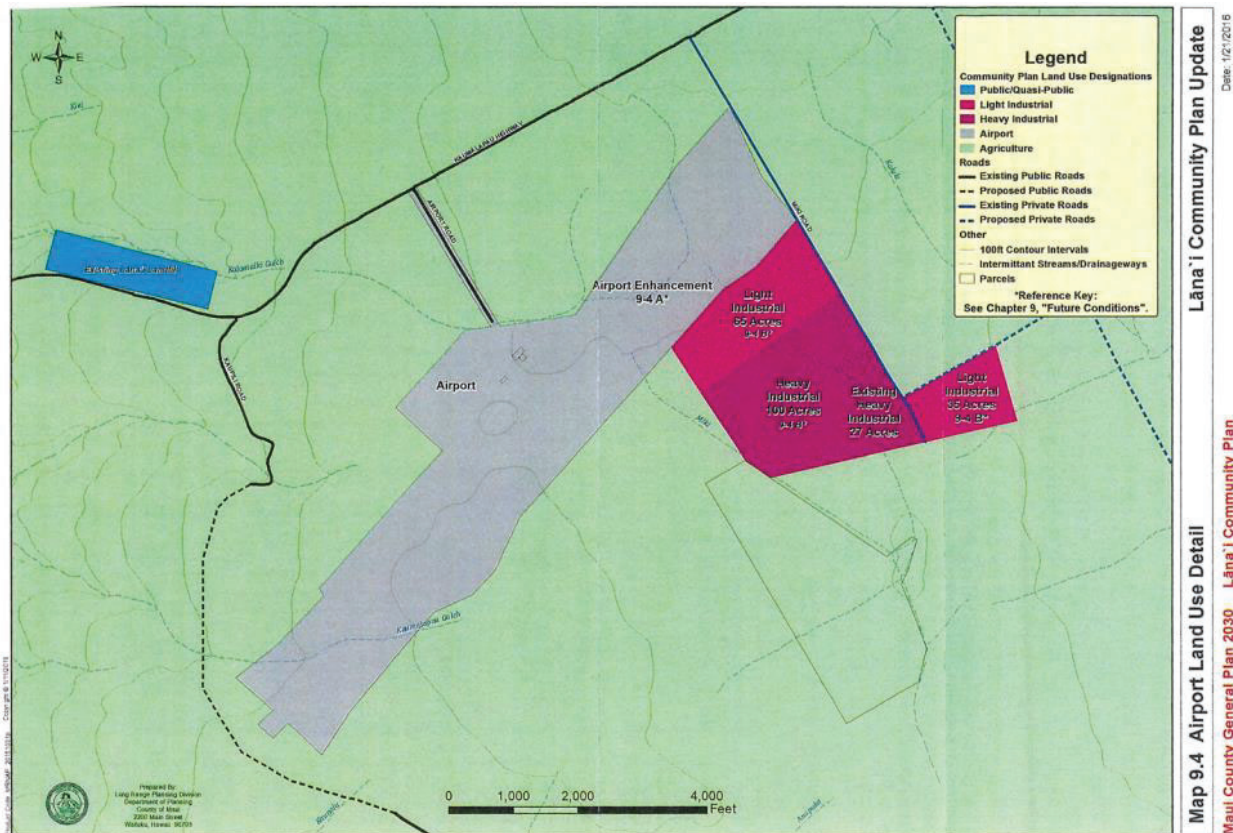


Figure 1: Map 9.4 Airport Land Use Detail from the Lānaʻi Community Plan (2016).

(B) See response to **Comment 03(A)**

Comment No. 4:

What “Light Industrial” uses are proposed for the area in the Palawai Basin of approximately 35 acres?

Response:

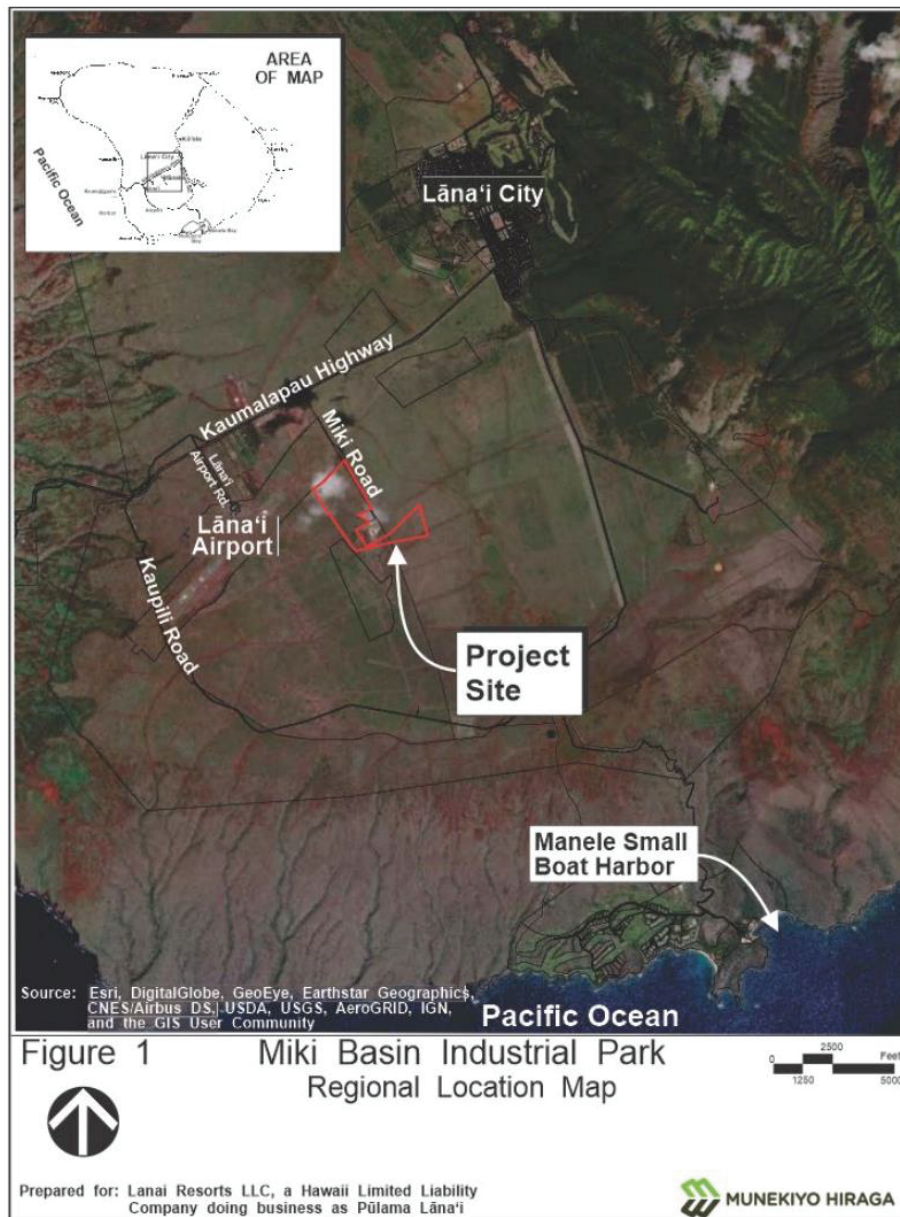
Various new industrial uses are planned for the 35 acre area in the Palawai Basin. As previously mentioned, exact uses have not been identified at this time, but the uses within the 35 acre area in the Palawai Basin will fall under “M-1, Light Industrial” zoning district, consistent with the Light Industrial Community Plan designation.

Comment No. 5:

Where is the location of the Agricultural Park in relation to this Project?

Response:

On page REF-25 of the Draft EA (pasted below for convenience), the State 100 acre Agricultural Park is shown as the black polygon adjacent to the south east corner of the project site (red polygon).



Comment No. 6:

- (A) *Clarify the demand and use of electricity consumption in light of the relatively small Lanai grid and relatively large solar facility, powering of diesel generators, proposed battery storage, etc. Diesel generators likely are not easily powered “up and down” so what happens with the electricity generated by the proposed solar grid.*
- (B) *Is there a significant battery storage component to this project?*
- (C) *Is the electricity produced by the solar grid used only for activities in the proposed Miki Basin Industrial Park or is it directed to the Lanai power grid for other consumer use?*

Response:

- (A) Public Utilities Commission (PUC) Docket No. 2015-0389 explicitly details the procurement requirements for the photovoltaic and battery energy storage project, which will be interconnected to the electric grid on Lānaʻi, serving all residents and businesses connected to the grid.

Hawaiian Electric (HECO) is responsible for procuring the energy for the project and the PUC oversees the process and approves the power purchase agreement. HECO is responsible for the operation of the electric system on Lānaʻi, which includes integrating the renewable energy from the photovoltaic and battery energy storage project as well as the existing fossil fuel generation fleet. The request for annual energy in the current procurement is 35,800 megawatt-hours (MWh).

- (B) See response to **Comment 06(A)**.
- (C) The electricity generated by the photovoltaic and battery energy storage project will be connected to the electric grid on Lānaʻi, which serves all customers with a HECO meter. It should be noted that if there are HECO meters within the Miki Basin Industrial Park, the electricity provided will likely include energy produced from the photovoltaic and battery energy storage project.

Comment No. 7:

26 acres are proposed for “New Industrial Uses”. How much of these 26 acres are left over for potential “other uses” beyond those already listed (slaughterhouse, warehouse space for cold storage, laboratory/testing facilities, multi-media facility, animal hospital)?

Response:

As previously mentioned, specific plans for the 26 acres identified for “Other New Industrial Uses” have not been developed or identified. The list of potential uses included in the EA were provided as example uses allowed under “M-1, Light Industrial” and “M-2, Heavy Industrial” zoning. As discussed in response to **Comment 02(A)**, ensuring that there is enough land for economic development was a specific strategy in the Community Plan. See **Exhibit A-1** and **Exhibit A-2** for permitted, accessory, and special uses.

Comment No. 8:

Provide more information on potential “on-island” businesses anticipated to move to the Project area and the basis for that information. Please clarify if there will be adequate space for these proposed “relocations.”

Response:

Please see page REF-180 of the Draft EA for some of the industrial activities that are listed and described as industrial activities that could or are likely to develop at Miki Basin Industrial Park. Some of these activities are currently operating out of residential homes or vehicles, and the 26 acres proposed for “Other New Industrial Uses” could potentially serve these businesses.

Comment No. 9:

Is the potential slaughterhouse to be used for domestic animals and/or wild game?

Response:

The potential slaughterhouse was listed as an example of a type of industrial use activity that could be located in the project area. At this time, there are no development plans for a slaughterhouse; however, community members have expressed interest in a slaughterhouse.

Comment No. 10:

Are there any potential issues with this Project being relatively close to the Lanai Airport?

Response:

The portion of the airport property that is immediately adjacent to the project site consists of vacant land. The airport runway is located over 1,500 feet from the nearest property boundary. All Federal, State, and County laws and regulations will be followed for any development plans. These regulations ensure that potential issues are identified and mitigated before approvals are obtained.

Comment No. 11:

Please explain in more detail the potential use of "laboratory testing facility." What is being tested?

Response:

The potential laboratory testing facility was listed as an example of a type of industrial use activity that could be located in the project area. At this time, there are no development plans for a laboratory testing facility; however, at the onset of the pandemic, community members did express an interest in a laboratory testing facility.

Comment No. 12:

What disclosures are required for the use of any proposed hazardous or toxic uses in the Project?

Response:

All Federal, State, and County laws and regulations (which include any required disclosures) will be followed for any development plans.

Comment No. 13:

Assess any impacts to guided hunts in the area of the Project.

Response:

The Applicant has an agreement with a private operator for guided hunts on Lānaʻi. The area in the Miki 200 Industrial Park is included; however, rarely used and a very small portion of the guided hunt area. The Applicant will work with the private operator to remove this area from the agreement for safety reasons, when development occurs.

Comment No. 14:

On page REF-95 there is mention of a new private road through the Palawai Basin. Is this part of the 20-acre infrastructure use? Is this being assessed in the EA?

Response:

The “Proposed Private Roads” and “Proposed Public Roads” were illustrated by the County’s cartographer as dotted lines on the Community Plan map provided on page REF-95. Figure 1 is the same map that is provided on page REF-95. This is outside of the Project area and not part of the Applicant’s proposed action.

Comment No. 15:

Provide more detail on the “two access directions” to the Project.

Response:

It is assumed that at least two (2) driveway access points to the project site will be provided along Miki Road. Project Driveway 1 provides access to the light and heavy industrial areas west of Miki Road and Project Driveway 2 provides access to the light industrial area east of Miki Road.

12/27/21, 11:49 AM

County of Maui, HI Code of Ordinances

19.24.020 - Permitted uses.

A. Within the M-1 light industrial district, no building, structure or premises will be used and no building or structure will be hereafter erected, structurally altered, replaced, or enlarged except for one or more of the following uses:

Uses	Notes and Exceptions
Any use permitted in a B-1, B-2, or B-3 business district except single family dwellings, duplexes, bungalow courts, short-term rental homes, and transient vacation rentals	
Animal kennels	
Dwelling units located in the same building as any non-dwelling permitted use	
Assembly of electrical appliances, radios and phonographs including the manufacture of small parts such as coils, condensers crystal holders and the like	
Carpet cleaning plants	
Cold storage plants	
Commercial laundries	
Craft cabinet and furniture manufacturing	
Education, specialized	
Farm implement sales and service	

1/4

12/27/21, 11:49 AM	County of Maui, HI Code of Ordinances
General food, fruit and vegetable processing and manufacturing plants	
Harbor facilities	
Ice cream and milk producing, manufacturing and storage	
Laboratories—experimental, photo or motion picture, film or testing	
Light and heavy equipment and product display rooms, storage and service	
Machine shop or other metal working shop	
Manufacture, compounding or treatment of articles or merchandise from the following previously prepared materials: aluminum, bone, cellophane, canvas, cloth, cork, feathers, felt, fiber, fur, glass, hair, horn, leather, plastics, precious or semi-precious metals or stones, shell, tobacco and wood	
Manufacture, compounding, processing, packing or treatment of such products as candy, cosmetics, drugs, perfumes, pharmaceutical, toiletries, and food products	Except the rendering or refining of fats and oils
Manufacture, dyeing and printing of cloth fabrics and wearing apparel	
Manufacture of musical instruments, toys, novelties and rubber and metal stamps	

2/4

12/27/21, 11:49 AM	County of Maui, HI Code of Ordinances
Manufacture of pottery and figurines or other similar ceramic products	
Milk bottling or central distribution stations	
Mortuaries and morgues	
Plumbing shops	
Poultry or rabbit slaughter incidental to a retail business on the same premises	
Production facility, multimedia	
Radio transmitting and television stations; provided, that towers are of the self-sustaining type without guys	
Replating shop	
Retail lumber yard including mill and sash work	Mill and sash work shall be conducted within a completely enclosed building
Small boat building	
Soda water and soft drink bottling and distribution plants	
Tire repair operation including recapping and retreading	
Utility facilities, minor, and substations up to, and including, 69 kv transmission	
Warehouse, storage and loft buildings	
3/4	

12/27/21, 11:49 AM

County of Maui, HI Code of Ordinances

Wearing apparel manufacturing	
Wholesale business, storage buildings, nonexplosive goods and warehouses	

(Ord. No. 5126, § 5, 2020; Ord. No. 3975, § 2, 2012)

19.24.030 - Accessory uses and structures.

The following uses and structures, located on the same lot, are deemed accessory, customary, incidental, usual and necessary to the above permitted uses in the district:

Uses:

Energy systems small-scale

Fences, walls, patios, decks and other landscape features

Garages, porte-cochere, mailboxes, ground signs, and trash enclosures

Security/watchman or custodian outbuildings

Subordinate uses and structures which are determined the planning director to be clearly incidental and customary to the permitted uses listed herein (Ord. No. 3975, § 2, 2012)

12/27/21, 11:51 AM

County of Maui, HI Code of Ordinances

19.26.020 - Permitted uses.

Within the M-2 heavy industrial district, no building, structure or premises will be used and no building or structure will be hereafter erected, structurally altered, replaced, or enlarged except for one or more of the following uses:

Uses	Notes and Exceptions
Any use permitted in the B-1, B-2 and B-3 business districts and M-1 light industrial district except single family dwellings, duplexes, bungalow courts, short-term rental homes, transient vacation rentals and apartments	Except for living quarters used by security/watchmen or custodians of an industrially used property
Alcohol manufacture	
Automobile wrecking, if conducted within a building	
Boiler and steel works	
Brick, tile or terra cotta manufacture	
Canneries except fish canneries	
Chemical manufacture	
Concrete or cement products manufacture	
Factories	
Foundries	
Freight classification yard (railroad)	

12/27/21, 11:51 AM	County of Maui, HI Code of Ordinances
Junk establishment used for storing, depositing, or keeping junk or similar goods for business purposes	Such establishment shall not be nearer than 8 feet from any other property line for the storage of the junk or similar goods except in buildings entirely enclosed with walls
Lime kilns which do not emit noxious and offensive fumes	
Lumber yard	
Machine shops	
Material recycling and recovery facilities	
Oilcloth or linoleum manufacture	
Oil storage plants	
Paint, oil (including linseed), shellac, turpentine, lacquer, or varnish manufacture	
Petroleum products manufacture or wholesale storage of petroleum	
Planing mill	
Plastic manufacture	
Railroad repair shops	
Rolling mills	
Ship works	
Soap manufacture	
2/4	

12/27/21, 11:51 AM

County of Maui, HI Code of Ordinances

Sugar mills and refineries	
Utility facilities, major	
In general those uses which may be obnoxious or offensive by reason of emission of odor, dust, smoke, gas, noise, vibration and the like and not allowed in any other district	Provided, however, that any use not specified in this section shall not be permitted unless approved by the planning director as conforming to the intent of this title

(Ord. No. 5126, § 7, 2020; Ord. No. 3976, § 1, 2012)

19.26.030 - Accessory uses and structures.

The following uses and structures, located on the same lot, are deemed accessory, customary, incidental, usual, and necessary to the above permitted uses in the district:

Uses

- Energy systems, small-scale
- Fences, walls, patios, decks, and other landscape features
- Garages, porte-cochere, mailboxes, ground signs, and trash enclosures
- Security/watchman or custodian outbuildings
- Subordinate uses and structures which are determined by the planning director to be clearly incidental and customary to the permitted uses listed herein

(Ord. No. 3976, § 2, 2012)

19.26.040 - Special uses.

The following uses and structures shall be permitted in the M-2 heavy industrial district provided a County special use permit, pursuant to section 19.510.070, Maui County Code, has first been obtained.

Special Uses

- Acetylene gas manufacture or bulk storage

3/4

12/27/21, 11:51 AM

County of Maui, HI Code of Ordinances

- Acid manufacture
- Ammonia, bleaching powder or chlorine manufacture
- Asphalt manufacture of refueling and asphaltic concrete plant
- Blast furnace or coke oven
- Cement, lime, gypsum, or plaster of paris manufacture
- Crematories
- Creosote treatment plants
- Explosives manufacture or storage
- Fertilizer manufacture
- Fish canneries
- Garbage, offal or dead animals reduction or dumping
- Gas manufacture
- Glue manufacture
- Petroleum refinery
- Quarry or stone mill
- Rock, sand, gravel, or earth excavation, crushing or distribution
- Saw mill
- Slaughter of animals
- Stock yard or deeding pens
- Tannery or the curing or storage of raw hides

(Ord. No. 3976, § 1, 2012)

4/4

MICHAEL P. VICTORINO
Mayor

MARC I. TAKAMORI
Director

MICHAEL B. DU PONT
Deputy Director



DEPARTMENT OF TRANSPORTATION
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
TELEPHONE: (808) 270-7511
FAX: (808) 270-7505

November 29, 2021

State of Hawaii, Land Use Commission
Department of Business, Economic Development & Tourism
Attn: Scott Derrickson, Chief Planner
P.O. Box 2359
Honolulu, HI 96804

SUBJECT: 2nd Draft Environmental Assessment for Proposed Miki Basin Industrial Park, Lanai,
Hawaii (Tax Map Key (2)4-9-002:061 (por.))

Dear Mr. Derrickson,

Thank you for the opportunity to review and comment on this project. At this time, we do not have any comments.

Please feel free to contact me if you have any questions.

Sincerely,

Marc Takamori
Director

cc: Chris Sugidono, Munekiyo Hiraga

February 7, 2022

Marc Takamori, Director
County of Maui
Department of Transportation
110 Ala'ihi Street, Suite 210
Kahului, Hawai'i 96732

SUBJECT: 2nd Draft Environmental Assessment for Proposed Miki Basin Industrial Park at TMK (2)4-9-002:061 (por.), Lāna'i, Maui, Hawai'i

Dear Mr. Takamori:

Thank for your comment letter dated November 29, 2021, regarding the 2nd Draft Environmental Assessment (EA) for the subject project. On behalf of Lāna'i Resorts LLC, a Hawai'i Limited Liability Company, doing business (dba) as Pūlama Lāna'i (Applicant), we acknowledge that the Department of Transportation has no comments to offer at this time.

We appreciate your input and will include a copy of your comment letter and this response in the Final EA. Should you have any questions or require further information regarding the proposed project, please contact me at (808) 244-2015, extension 221.

Very truly yours,



Chris Sugidono
Senior Associate

CEJS:ab

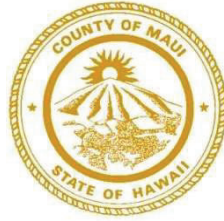
cc: Scott Derrickson, State Land Use Commission
Keiki-Pua Dancil, Pūlama Lāna'i
Calvert Chipchase, Cades Schutte

K:\DATA\Pulama Lanai\MikiBasinExp 1769\Applications\Draft EA\0 2nd DEA Response\MDOT.docx

MICHAEL P. VICTORINO
Mayor

JEFFREY T. PEARSON, P.E.
Director

HELENE KAU
Deputy Director



DEPARTMENT OF WATER SUPPLY
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAI'I 96793

December 13, 2021

Mr. Scott Derrickson, Chief Planner
State of Hawaii
Land Use Commission
Department of Business, Economic Development & Tourism
P.O. Box 2359
Honolulu, Hawaii 96804-2359

Dear Mr. Derrickson:

SUBJECT: 2ND DRAFT ENVIRONMENTAL ASSESSMENT FOR PROPOSED MIKI BASIN
TMK: (2) 4-9-002:061 (por.)

Thank you for the opportunity to review and comment on the subject project.

Lanai island does not obtain water service from the County of Maui, but from private water system purveyor(s). Therefore, any building or plumbing permits will not be reviewed by the Department of Water Supply. However, if a subdivision application is received, we will review the project to ensure it complies with Maui County Code, Chapter 14.12 "Water Availability" code concerning a long-term, reliable supply of water for the subdivision.

If you have any questions, please contact Tammy Yeh of our Engineering Division at (808) 270-7682 or at tammy.yeh@co.maui.hi.us. Engineering Division's main number is (808) 270-7835.

Sincerely,

A handwritten signature in blue ink that reads "W Taomoto".

WENDY TAOMOTO, P.E.
Engineering Program Manager

TY

cc: DWS – Water Resources & Planning (Water.Resources@mauicounty.gov)
Chris Sugidono, MUNEKIYO HIRAGA (planning@munekiyohiraga.com)

February 7, 2022

Wendy Taomoto, Engineering Program Manager
Department of Water Supply
County of Maui
200 South High Street
Wailuku, Hawai'i 96793

**SUBJECT: 2nd Draft Environmental Assessment for Proposed Miki Basin
Industrial Park at TMK (2)4-9-002:061 (por.), Lāna'i, Maui, Hawai'i**

Dear Ms. Taomoto:

Thank for your comment letter dated December 13, 2021, regarding the 2nd Draft Environmental Assessment (EA) for the subject project. On behalf of Lāna'i Resorts LLC, a Hawai'i Limited Liability Company, doing business (dba) as Pūlama Lāna'i (Applicant), we appreciate you taking the time to provide us comments on this 200-acre master-planned light and heavy industrial development.

On behalf of the Applicant, we acknowledge that the Department of Water Supply will not be reviewing any building or plumbing permits for the proposed project. The Applicant also confirms that the proposed project does not involve a subdivision, and thus will not be subject to Maui County Code, Chapter 14.12 "Water Availability".

We appreciate your input and will include a copy of your comment letter and this response in the Final EA. Should you have any questions or require further information regarding the proposed project, please contact me at (808) 244-2015, extension 221.

Very truly yours,



Chris Sugidono
Senior Associate

CEJS:ab

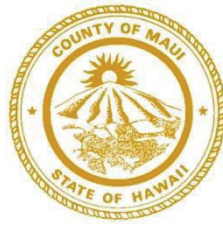
cc: Scott Derrickson, State Land Use Commission
Keiki-Pua Dancil, Pūlama Lāna'i
Calvert Chipchase, Cades Schutte

K:\DATA\Pulama Lanai\MikiBasinExp 1769\Applications\Draft EA\0 2nd DEA Response\DWS-WT Eng Program Mgr.docx

MICHAEL P. VICTORINO
Mayor

JEFFREY T. PEARSON, P.E.
Director

HELENE KAU
Deputy Director



DEPARTMENT OF WATER SUPPLY
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov/water

December 21, 2021

Chris Sugidono, Senior Associate
Munekiyo Hiraga
305 High Street, Suite 104
Wailuku, Hawaii 96793

RE: Miki Basin Industrial Park 2nd Draft Environmental Assessment (DEA), Lāna'i Island, Hawai'i.
TMK: (2) 4-9-002: 061 (por.)

Dear Mr. Sugidono:

The County of Maui Department of Water Supply (MDWS) Water Resources and Planning (WRP) Division thanks you for the opportunity to offer the following comments on the Miki Basin Industrial Park 2nd DEA. The WRP previously submitted a letter on October 21, 2021 regarding the Miki Basin Interim Industrial Uses in the State Agricultural and Rural Districts (SUP2) Application (see attachment), and the MDWS Engineering Division previously submitted a letter regarding this 2nd DEA on December 13, 2021 (see attachment). The entire Island of Lāna'i is served by the Lāna'i Water Company (LWC), a private water utility company regulated by the Public Utilities Commission. Please note that MDWS has no jurisdiction over projects on Lāna'i.

Lāna'i Island Water Use and Development Plan (WUDP) Alignment

Lāna'i Island WUDP Wastewater/R-1 Provisions and Resource Options

The MDWS was unable to find any mention of the *potential* use of R-1 water for irrigation and other industrial uses in the analysis of alternatives in the DEA or supporting reports. The proposed project's *potential* use of R-1 recycled wastewater would be in alignment with the Lāna'i Island WUDP Provisions:

"Lana'i's water and wastewater utilities should implement water recycling and water conservation programs targeting landscape...to substantially reduce water consumption to the extent allowed by the Public Utilities Commission" (Lāna'i Island WUDP, page 30).

"By Water All Things Find Life"

The Lāna'i Island WUDP Resource Options (page 15) cites expanded use of Lāna'i City reclaimed wastewater from: 1) Lāna'i City to Miki Basin; 2) Lāna'i City to Manele via Miki Basin; and 3) Lāna'i City to Manele (Lāna'i Island WUDP, page 13). The proposed project footprint appears to come within approximately one mile of an existing available R-1 recycled wastewater pipeline. Opportunity to satisfy Miki Basin Industrial Park's water demand for washing down stockpiles, dust control, and irrigation with R-1 recycled wastewater may be accomplished by extending the Lāna'i City reclaimed wastewater pipeline one mile to the Miki Basin Industrial Park.

Lāna'i Island WUDP Conservation Options

Specific water conservation resource options measures advocated by the Lāna'i Island WUDP (Page 19) that may be applicable to project landscaping and water reuse (considering the aesthetics of being in the vicinity of the airport, where visitors first impressions occur) include the following: 3) improve irrigation scheduling; 4) soil moisture sensors; 5) improve performance of irrigation systems; 6) auto rain shut off; and 7) greywater for irrigation.

We hope you find this information useful. Should you have any questions, please contact staff planner Alex Buttaro at (808) 463-3103 or alex.buttaro@mauicounty.gov.

Sincerely,



Jeffrey T Pearson, P.E.

Director

BAB

Cc: MDWS Engineering

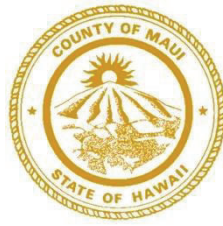
Scott Derrickson, Chief Planner, State of Hawai'i Land Use Commission

S:\PLANNING\Permit_Review\Projects Review\planning review\EA-EIS\249002061 Miki Basin Industrial Park 2nd DEA\249002061 Miki Basin Interim Industrial 2nd DEA Letter

MICHAEL P. VICTORINO
Mayor

JEFFREY T. PEARSON, P.E.
Director

HELENE KAU
Deputy Director



DEPARTMENT OF WATER SUPPLY
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAI'I 96793
www.mauicounty.gov/water

October 22, 2021

Kurt Wollenhaupt, Staff Planner
County of Maui Department of Planning
2200 Main Street, Suite 315
Wailuku, Hawai'i 96793

RE: Miki Basin Interim Industrial Uses in the State Agricultural and Rural Districts (SUP2)
Application, Lāna'i Island, Hawai'i.
TMK: (2) 4-9-002: 061 (por.)

Dear Mr. Wollenhaupt:

The County of Maui Department of Water Supply (MDWS) thanks you for the opportunity to offer the following comments on the Miki Basin Interim Industrial Uses Special Uses in the State Agricultural and Rural Districts Application (SUP2).

Water Source and Demand

According to the Commission on Water Resource Management (CWRM), Lāna'i Island has a sustainable yield of 6 million gallons per day (gpd). Fresh water is found solely in the high-level Central Aquifer Sector. The entire Island of Lāna'i is served by the Lāna'i Water Company (LWC), a private water utility company regulated by the Public Utilities Commission. Please note that MDWS has no jurisdiction over projects on Lāna'i. The SUP2 permit application states that the water demand for the proposed project is 2,000 gpd (Miki Basin Interim Industrial Uses LUC Permit Application, page 11).

Lāna'i Island Water Use and Development Plan (WUDP) Alignment

Lāna'i Island WUDP R-1 Resource Options

The projects *potential* use of R-1 recycled wastewater would be in alignment with the Lāna'i Island WUDP:

"Efficient use of water...." is "...essential to reduce waste of Lana'i's limited water resources. Lana'i's water and wastewater utilities should implement water recycling and water conservation programs targeting landscape...to substantially reduce water consumption to the extent allowed by the Public Utilities Commission" (Lāna'i Island WUDP, page 30).

"By Water All Things Find Life"

The Lāna'i Island WUDP Resource Options (page 15) cites expanded use of Lāna'i City reclaimed wastewater from: 1) Lāna'i City to Miki Basin; 2) Lāna'i City to Manele via Miki Basin; and 3) Lāna'i City to Manele (Lāna'i Island WUDP, page 13). The proposed project footprint appears to come within approximately one mile of existing available R-1 recycled wastewater. Opportunity to satisfy Miki Basin Industrial's water demand for washing down stockpiles and dust control with R-1 recycled wastewater may be accomplished by extending the Lāna'i City reclaimed wastewater pipeline from Lāna'i City.

Lāna'i Island WUDP Conservation Options

Specific water conservation resource options measures advocated by the Lāna'i Island WUDP (Page 19) that may be applicable to project landscaping and water reuse (considering the aesthetics of being in the vicinity of the airport, where visitors first impressions occur) include the following: 3) improve irrigation scheduling; 4) soil moisture sensors; 5) improve performance of irrigation systems; 6) auto rain shut off; and 7) greywater for irrigation.

Pollution Prevention and Conservation

CWRM promotes the protection of groundwater and the value of treating stormwater as a resource, including groundwater recharge capability when contained onsite, described in its document titled *A Handbook for Stormwater Reclamation and Reuse Best Management Practices in Hawai'i*, December, 2008 found here:

http://files.hawaii.gov/dlnr/cwrmp/planning/hsrar_handbook.pdf. The MDWS recommends implementing Best Management Practices (BMPs) contained in the document, such as permeable surfaces to reduce storm water loss (for example, permeable detention ponds and vegetated filter strips), and bio-retention rain gardens. Leadership in Energy and Environmental Design (LEED) certification is recommended for water conservation.

Construction BMPs for Pollution Prevention

In order to protect ground and surface water resources, we recommend that in addition to required BMPs, the following measures designed to minimize infiltration and runoff be implemented during construction:

- Prevent cement products, oil, fuel and other toxic substances from falling or leaching into the ground.
- Maintain vehicles and equipment to prevent oil or other fluids from leaking. Concrete trucks and tools used for construction should be rinsed off-site.
- Properly install and maintain erosion control barriers, such as silt fencing or straw bales.
- Disturb the smallest area possible. Retain ground cover until the last possible date.
- Replanting of denuded areas should include soil amendments and temporary irrigation. Use high seeding rates to ensure rapid establishment of stands of plants.
- Keep runoff on-site.

Conservation BMPs

Indoor

- Use EPA WaterSense labeled plumbing fixtures.
- Install flow reducers and faucet aerators in all plumbing fixtures wherever possible.
- Install dual flush toilets with high-efficiency models that use 1.28 gallons per flush or less.
- Install bathroom sink faucets with fixtures that do not exceed 1 gallon per minute at 60 pounds per square inch (psi).

Outdoor

- Use Smart Approved WaterMark irrigation products. Examples include evapotranspiration irrigation controllers, drip irrigation and water-saving spray heads.
- After plants are established, in order to avoid stimulating excessive growth, avoid fertilizing and pruning. Time watering to occur in the early morning or evening to limit evaporation. Limit the use of turf.
- Use native Hawaiian climate-adapted plants for landscaping. Native Hawaiian plants adapted to the area conserve water and protect the watershed from degradation due to invasive species.
- We recommend adopting landscape irrigation conservation BMPs endorsed by the Landscape Industry Council of Hawai'i at https://www.hawaiiscape.com/wp-content/uploads/2013/04/LICH_Irrigation_Conservation_BMPs.pdf

We hope you find this information useful. Should you have any questions, please contact staff planner Alex Buttaro at (808) 463-3103 or alex.buttaro@mauicounty.gov.

Sincerely,



Jeffrey T Pearson, P.E.

Director

BAB

File location: S:\PLANNING\Permit_Review\Projects Review\planning review\CUP_SUP\Lanai\249002061 Miki Basin Interim Ind Uses SUP2\249002061 Miki Basin Interim Industrial Uses

February 7, 2022

Jeffrey T. Pearson, Director
Department of Water Supply
County of Maui
200 South High Street
Wailuku, Hawai'i 96793

SUBJECT: 2nd Draft Environmental Assessment for Proposed Miki Basin Industrial Park at TMK (2)4-9-002:061 (por.), Lāna'i, Maui, Hawai'i

Dear Mr. Pearson:

Thank for your comment letter dated December 21, 2021, regarding the 2nd Draft Environmental Assessment (EA) for the subject project. On behalf of Lāna'i Resorts LLC, a Hawai'i Limited Liability Company, doing business (dba) as Pūlama Lāna'i (Applicant), we appreciate you taking the time to provide us comments on this 200-acre master-planned light and heavy industrial development.

The Applicant acknowledges the opportunity to satisfy some of the proposed project's water demand with R-1 recycled wastewater and will consider to the extent applicable and available the potential to utilize R-1 recycled wastewater. The Applicant also acknowledges the specific water conservation measures advocated by the Lāna'i Island WDUP that may be applicable to project landscaping and water reuse. It should be further noted that landscaping in an industrial area is not necessarily conducive.

We appreciate your input and will include a copy of your comment letter and this response in the Final EA. Should you have any questions or require further information regarding the proposed project, please contact me at (808) 244-2015, extension 221.

Very truly yours,

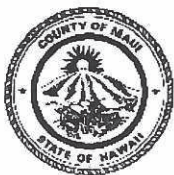


Chris Sugidono
Senior Associate

CEJS:ab

cc: Scott Derrickson, State Land Use Commission
Keiki-Pua Dancil, Pūlama Lāna'i
Calvert Chipchase, Cades Schutte

K:\DATA\Pulama Lanai\MikiBasinExp 1769\Applications\Draft EA\0 2nd DEA Response\DWS.docx



MICHAEL P. VICTORINO
MAYOR

OUR REFERENCE
YOUR REFERENCE

POLICE DEPARTMENT
COUNTY OF MAUI

55 MAHALANI STREET
WAILUKU, HAWAII 96793
(808) 244-6400
FAX (808) 244-6411



CHIEF OF POLICE
DEAN M. RICKARD
DEPUTY CHIEF OF POLICE

December 6, 2021

Mr. Chris Sugidono
Senior Associate
Munekiyo Hiraga
305 High Street, Suite 104
Wailuku, Hawaii 96793


**Re: 2nd Draft Environmental Assessment for Proposed Miki Basin
Industrial Park, Lanai, Hawaii (TMK: (2) 4-9-002:061 (por.))**

Dear Mr. Sugidono:

This is in response to your letter dated November 19, 2021 requesting comments on the 2nd Draft Environmental Assessment (EA) for the proposed Miki Basin Industrial Park project.

In review of the submitted documents, we have no objections to the upcoming construction project. Thank you for giving us the opportunity to comment on this project.

Sincerely,


Assistant John Jakubczak
for: **DEAN M. RICKARD**
Acting Chief of Police

c: Scott Derrickson, Dept. of Business, Economic Development & Tourism

February 7, 2022

John Pelletier, Chief of Police
Maui Police Department
County of Maui
55 Mahalani Street
Wailuku, Hawai'i 96793

SUBJECT: 2nd Draft Environmental Assessment for Proposed Miki Basin
Industrial Park at TMK (2)4-9-002:061 (por.), Lānaʻi, Maui, Hawaiʻi

Dear Chief Pelletier:

Thank for your comment letter dated December 6, 2021, regarding the 2nd Draft Environmental Assessment (EA) for the subject project. On behalf of Lānaʻi Resorts LLC, a Hawaiʻi Limited Liability Company, doing business (dba) as Pūlama Lānaʻi (Applicant), we acknowledge that the Maui Police Department has no objections to the proposed project.

We appreciate your input and will include a copy of your comment letter and this response in the Final EA. Should you have any questions or require further information regarding the proposed project, please contact me at (808) 244-2015, extension 221.

Very truly yours,



Chris Sugidono
Senior Associate

CEJS:ab

cc: Scott Derrickson, State Land Use Commission
Keiki-Pua Dancil, Pūlama Lānaʻi
Calvert Chipchase, Cades Schutte

K:\DATA\Pulama Lanai\MikiBasinExp 1769\Applications\Draft EA\0 2nd DEA Response\MDOT.docx

Subject:

FW: 2nd draft EA - Pulama Lanai to develop industrial park on Lanai

From: Liu, Rouen [<mailto:rouen.liu@hawaiianelectric.com>]**Sent:** Thursday, December 16, 2021 4:10 PM**To:** Tessa Munekiyo Ng <tessa@munekiyohiraga.com>**Cc:** Kuwaye, Kristen <kristen.kuwaye@hawaiianelectric.com>**Subject:** 2nd draft EA - Pulama Lanai to develop industrial park on Lanai

Dear Ms. Munekiyo Ng,

Thank you for the opportunity to comment on the subject project. Maui Electric Company has no objection to the project. Should Maui Electric have existing easements and facilities on the subject property, we will need continued access for maintenance of our facilities. We appreciate your efforts to keep us apprised of the subject project in the planning process. Please be sure the contractor submits the service request in a timely fashion relative to when they expect energizing of electrical service. As the proposed Miki Basin Industrial Park project comes to fruition, please continue to keep us informed.

Should there be any questions, please contact me at 808-543-7245.

Thank you,
Rouen

CONFIDENTIALITY NOTICE: This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and/or privileged information. Any unauthorized review, use, copying, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender immediately by reply e-mail and destroy the original message and all copies.

February 7, 2022

Email: rouen.liu@hawaiianelectric.com

Rouen Liu
Maui Electric Company
900 Richards Street
Honolulu, Hawai'i 96813

SUBJECT: 2nd Draft Environmental Assessment for Proposed Miki Basin Industrial Park at TMK (2)4-9-002:061 (por.), Lāna'i, Maui, Hawai'i

Dear Mr. Liu:

Thank for your comment letter dated December 16, 2021, regarding the 2nd Draft Environmental Assessment (EA) for the subject project. On behalf of Lāna'i Resorts LLC, a Hawai'i Limited Liability Company, doing business (dba) as Pūlama Lāna'i (Applicant), we acknowledge that Maui Electric Company (MECO) has no objections to the proposed project.

The Applicant notes MECO's request for continued access on any existing easements for maintenance of any existing facilities on the subject property. The Applicant also notes the request for the project contractor to submit a service request in a timely fashion relative to when they expect energizing of electrical service. The Applicant will continue to keep MECO informed of project updates, as applicable.

We appreciate your input and will include a copy of your comment letter and this response in the Final EA. Should you have any questions or require further information regarding the proposed project, please contact me at (808) 244-2015, extension 221.

Very truly yours,



Chris Sugidono
Senior Associate

CEJS:ab

cc: Scott Derrickson, State Land Use Commission
Keiki-Pua Dancil, Pūlama Lāna'i
Calvert Chipchase, Cades Schutte

K:\DATA\Pulama Lanai\MikiBasinExp 1769\Applications\Draft EA\0 2nd DEA Response\MECO.docx

Dan Orodener, Executive Officer
Land Use Commission
P. O. Box 2359
Honolulu, Hawaii 96804-235
dbedt.luc.web@hawaii.gov

December 22, 2021

Lānaʻi Resorts, LLC
Keiki-Pua Dancil
733 Bishop Street, Suite 1500
Honolulu, HI 96813
kdancil@pulamalanai.com

Munekiyo Hiraga/Chris Sugidono
305 High Street, Suite 104
Wailuku, HI 96793
planning@munekiyohiraga.com

RE: LUC Docket No. A19-809 Pulama Lana'i, 2nd Draft Environmental Assessment (DEA)
Proposed Miki Basin Industrial Park, Tax Map Key No. (2)4-9-002:061 (por)

Mr. Orodener:

Please accept the following questions that the above-referenced draft EA should address:

Ref. 29: The applicant states that “Full buildout of the proposed 200-acre Miki Basin Industrial Park will be developed incrementally over a period of 20 years. The first half of the potential development timeline includes the relocation of the existing concrete recycling and rock crushing operation and existing asphalt plant, as well as the construction of renewable energy projects. The new industrial uses will be implemented throughout the duration of the project. Over the initial 10-year development period, the estimated development cost for the Miki Basin Industrial Park is \$78.8 million.”

- *Please confirm the concrete recycling, rock crushing and asphalt plants are each owned/operated by the applicant, and explain why they are being relocated from their current locations.*
- *Please provide an estimate of how much of the initial \$78.8 million development cost will be borne by new industrial users.*
- *Please indicate what plans exist, if any, for the buildings that currently house the industrial uses planned for relocation.*

Ref. 29: The applicant states that “Full buildout of the proposed 200-acre Miki Basin Industrial Park will be developed incrementally over a period of 20 years,” but (**Ref. 134**) the LUC “requires that projects seeking reclassification be substantially completed within ten years or seek incremental approvals, pursuant to HAR § 15-15-50.”

- *Please identify what steps the applicant will have to take and approvals required if the development extends beyond 10 years.*

Ref. 43: The AIS recommended that a data recovery plan be developed for Sites 50-40-98-1980 and 50-40-98-1981, and the plan be implemented prior to proposed construction activities within the parcel.

- *Please indicate when this data recovery plan will be implemented.*

Ref. 46: “There are no major sources of air pollution in the immediate vicinity and vehicular traffic volumes are low.”

- *Please provide any information available on pollution emanating from the MECO power plant and the Lanai airport.*

Ref. 46: “Appropriate BMPs, such as frequent watering of exposed surfaces and regular maintenance of construction equipment, will be utilized to minimize air quality impacts associated with project construction.”

Ref. 47: “Dust control would be handled by use of regular wetting of the crushed concrete and rock, and materials storage areas with a sufficient amount of water to saturate the area without causing runoff. The water for the water truck will be supplied by the Lanai Water Company.”

- *Please confirm that the water use referenced above will be metered and will exclusively use brackish water. If not, please explain why not.*

Ref. 53: The applicant “will provide or finance its fair share of infrastructure and facilities to support the project.

- *How will applicant’s “fair share” of infrastructure and facility costs be determined, and who or what will provide the balance of the infrastructure and facilities support costs? How does applicant envision apportioning these costs?*

Ref. 56: A large portion of the Industrial Park, “127 acres, is proposed for renewable energy uses such as photovoltaic plus battery energy storage, which would not be a generator of new solid waste.”

- *Please confirm that at this time the 127 acres are designated solely for solar/storage.*
- *If not, please identify any additional renewable energy sources planned or anticipated.*
- *Please clarify if the applicant has any role in this process, aside from acting as landlord to a potential developer.*
- *If the PUC fails to approve a solar+ storage project submitted in Docket 2015-0389, does the applicant have other option(s) for renewables in this space? If not, how will the acres be used?*

Ref. 71: “It is expected that there will be a need for industrial zoned lands on the island of Lanai, considering there is none available presently.”

The 1998 Lānaʻi Community Plan included 20 acres to be set aside at Miki Basin for industrial use so both the company’s (Castle & Cooke at that time) as well as individual residents’ industrial uses could be relocated out of the city, and in September, 2000, 13.9 acres of former Ag land was conditionally rezoned for this purpose by Ordinance No. 2895; 10 conditions were attached, the first was that “50% of the land zoned M-2 Heavy Industrial shall be offered in fee.”

- *Please explain why this has not occurred, why the 20 industrial acres identified for fee simple sale 21 years ago have not yet been offered for sale, and detail where it is in the process of being offered.*

- *In light of the delay in addressing the claimed industrial “needs,” which were acknowledged 21 years ago and again in this draft EA, please justify why more acreage is needed at this time, aside from the 127 acres designated for renewables.*
- *The applicant stated at the 12.15.2021 Lāna’i Planning Commission meeting that the 20 acres subject to the condominium regime have been rezoned from ag to industrial. Please confirm the date this rezoning was effective.*

Ref. 178: “This project [the Miki Basin 20-acre condominium development] is anticipated to be subdivided into 31 lots in accordance with County requirements, but the Land Court has yet to approve the subdivision. A petition to the Land Court for approval was submitted in 2018, but which was later amended to include the Hawaii Department of Transportation due to a public road over an easement which runs in part through a portion of the Lanai Airport property. The petition is under review by a Deputy Attorney General.” (Market Assessment, dated September, 2021.)

- *Please confirm whether the petition is still under review and explain why the review process has not been completed.*

Ref. 84: “The project strengthens the state’s economy through [] long-term opportunities in industrial and renewable energy industries.”

- *Please detail the long-term opportunities envisioned to be provided by renewable energy industries.*

Ref. 86: “While the underlying lands are designated ‘Agricultural’ by the State Land Use Commission and County zoning, the Community Plan’s ‘Light Industrial’ and ‘Heavy Industrial’ land use designations recognize the need to provide for these critical economic development uses which may include relocation of uses from Lanai City.”

Ref. 112-113: “Construction of the industrial park will allow existing industrial facilities currently scattered in business and residential areas in Lana’i City to relocate to more appropriate locations having the infrastructure and buffers necessary for industrial uses.”

- *Please identify the existing “scattered” industrial uses referenced above that are envisioned to be relocated, both those that are operated or controlled by the applicant and those that are not.*

Ref. 98: “It is noted that certain uses, including asphalt plant and rock crushing operations, are identified as special uses by the zoning ordinance and the applicable County Special Use Permit will be obtained.”

Ref. 437: “Pulama Lana’i has submitted a Special Use Permit to the County of Maui Planning Department for the relocation of the interim industrial uses.”

- *Please confirm whether the CUP referenced above is the one applied for on 8/16/2021.*

Ref. 115: “The proposed Miki Basin Industrial Park will include 127 acres for renewable energy projects (e.g., photovoltaic plus battery energy storage), 20 acres for infrastructure purposes (10 percent of the project area which will be used for roads, common areas, and other related uses), 12.5 acres for the relocation of an existing asphalt plant, and 26 acres for new industrial uses. The remaining 14.5 acres will be used for the relocation of an existing concrete recycling and rock crushing operation, and for the materials storage and stockpiling of aggregate and construction materials.”

- *Please confirm it is the applicant’s intent that approximately 63% of the 200 acres will be dedicated to the planned solar+ storage, 10% will be dedicated to supporting infrastructure, 13% is made available to new industrial uses, and applicant is reserving the balance, 27 acres or 13.5%, for its own use.*

Ref. 116: “The proposed action contemplated in the November 2019 Draft EA was 100 acres of light industrial uses and 100 acres of heavy industrial uses. Since that time, additional planning has led to the refinement of the uses within the Miki Basin Industrial Park.”

- *Please discuss in detail the “additional planning” that occurred.*

Ref. 129: “A prior [LUC] docket, A89-649 Manele Golf Course, required under Condition 1, that Petitioner convey 25 acres of lands to the State of Hawai’i: a proposed 15-acre industrial parcel and a proposed 10-acre commercial parcel. The Assessment should discuss the location of these lands with respect to the proposed district boundary amendment; including whether these lands have been conveyed to the State and how any proposed projects on those lands will interact with [the applicant’s] proposed development.” (LUC Ltr., 11/19/2018)

- *Please explain why the above comment from the LUC was not addressed in the EA and provide the discussion requested.*
- *In addition, please provide an update of the progress of these commitments to transfer the 15-acre and 10-acre parcels.*

Ref. 134: “The EA/EIS and/or petitioner should provide a schedule of development for each phase of the total project and a map showing the location and timing of each phase or increment of development. Regarding infrastructure (e.g., highway improvements), the petitioner should discuss how improvements will be completed to ensure that mitigation coincides with the impact created by the proposed project.” (SOP Ltr. 11/2018.)

- *Please indicate where in the draft EA the above requested phase schedule and maps appear.*
- *If they have not been prepared, please provide, indicating what physical portions of the 200 acres are envisioned to be part of the first 10-year phase of development.*

Ref. 135: “Glint/Glare Hazards, Airport Airspace analysis (iOE/AAA), Combined Federal Regulation CFR Part 77 (e-CFR format) Current as of December 15, 2015.”

- *Please discuss what measures will be taken to avoid hazardous glare that will emanate from the proposed solar plus storage acreage, and identify which party will be responsible for taking such measures.*

Ref. 161: “We also recommend a discussion of the consistency of this current proposal for the Miki Basin Industrial Park with the projected buildout described in the 2011 Lanai Water Use and Development Plan.” (CWRM Ltr., 12/17/2019.)

- *Please identify where in the draft EA this discussion appears.*
- *If it is not provided, please provide.*

Ref. 173: “Regarding market feasibility, commitments are in place for 174 acres (87%) of the Project area. An additional 7.6 acres for ‘typical industrial activities’ will increase the projected demand to 181.6 acres (91%) by 2030.”

- *Please specifically identify who or what entities have made commitments for the 174 acres.*

Ref. 180: “A pent-up demand for industrial land and industrial space to accommodate ‘typical industrial activities’ is readily apparent on Lanai. Many businesses in Lanai City are operated from homes, partly because there are no industrial parks on Lanai that serve small scale tenants. Yards and rooms are used for operations and to store equipment and supplies.”

- *Please specifically identify which businesses are referenced above to support the claim of “pent-up demand,” and explain the cost structure that will allow these small-scale tenants to be able to afford to relocate to the industrial park.*

Ref. 180: “Fruit and vegetable processing, possibly with a shared commercial kitchen.”

- *The above is listed as “likely” to develop at Miki. Please explain how this would differ from, and would not duplicate, what Sensei Farms is currently offering.*

Ref. 208: “A special effort was made to look for evidence indicating the presence of ope‘ape‘a, or Hawaiian hoary bat, by conducting an evening survey at two (2) locations within the project area.”

- *Please provide details of this survey, was it a one-time effort? Over what period of time and on what dates? At which locations?*

Ref. 438: On 7/15/1994 the former landowner signed a lease with the state for a 100-acre agricultural park, to be located near the proposed industrial park, that provides for an average of .20 MGD of water.¹ On 6/4/2018, applicant filed a compliance update with the LUC indicating that the land had been leased to the state, <https://luc.hawaii.gov/wp-content/uploads/2018/06/LUC-Manele-2017-Annual-Report-Docket-A89-649.pdf>, and on 3/5/ 2021, applicant filed a compliance update marking this condition as “completed.” <https://luc.hawaii.gov/wp-content/uploads/2021/03/A89-649-Annual-Report-2020.pdf>²

Applicant’s consultant now states the “Proposed water use for the full buildout of the industrial Park is based on the existing demands on [PWS 238] and potential development plans,” and is expected to be “592,625 gpd.”

- *Please clarify the status of 100-acre ag park lease.*

¹ The lease was later amended to insure “additional water will be allocated to the agricultural park on the property in the future[,]” and the Lāna‘i Water Company, which is owned, operated and controlled by applicant, acknowledged that a reservation of 500,000 GPD “for the development of an agricultural park ... is in the Water Use and Development Plan” <https://lanaiwatercompany.com/wp-content/uploads/2017/01/WUDP-Provisions-Action-Plan-1-1-17-Final-2.pdf>.

² On 11/24/2021, however, DLNR Director Suzanne Case sent applicant a letter stating, among other things, that “to date, an agricultural park has not been established” and requesting a transfer of the lease to the COM pursuant to Resolution 21-54 of the Maui County Council, adopted 3/19/2021.

- *Please confirm whether the above estimate of existing and potential development demands on PWS 238 includes the water reserved for the 100-acre ag park.*
- *Using applicable county water standards, please confirm whether the above estimate includes water use for the 10-acre commercial parcel and the 15-acre light industrial parcel.*
- *If it does not include the above, please revise accordingly, and identify the source(s).*
- *Please specifically identify any additional projects noted in the Community Plan that will draw resource from PWS 237 or PWS 238 and how much water resource will be required.*

Ref. 438: The Akinaka Master Water Plan details improvements that will be required to support full buildout of the proposed industrial park.

- *Please provide calculations confirming that water required by 1) the lease agreement for the 100-acre ag park/500,000 GPD reservation for ag activities; 2) the 10-acre commercial parcel; and 3) the 15-acre light industrial parcel can also be accommodated by these improvements.*

Ref. 456 and 464: Applicant’s consultants state, “The Akinaka report concluded that new well supply for the Manele Bay System of at least 426 gallons per minute (GPM) capacity will be required” and have identified a preferred site for required new water source, in the Leeward aquifer, where all existing wells, but one, are currently located.

- *Did these assessments and this recommendation incorporate the additional water demand needed for the 100-acre ag park and/or the 500,000 GPD referenced in the WUDP, and the 25 acres for commercial and light industrial use? If so, where in the EA do the supporting calculations appear?*
- *If it does not, please provide supporting calculations, and revise or amend.*
- *Once the missing calculations are incorporated, please confirm, with numerical support, a justification that developing a new water resource from the Windward aquifer is not needed.*

Thank you for your consideration of the above.

/s/ Sally Kaye
P.O. Box 631313
Lāna‘i City, HI 96763
skaye@runbox.com

February 7, 2022

Via email: skaye@runbox.com

Sally Kaye
P. O. Box 631313
Lānaʻi City, HI 96763

SUBJECT: 2nd Draft Environmental Assessment for Proposed Miki Basin Industrial Park at TMK (2)4-9-002:061, Lānaʻi, Maui, Hawaiʻi

Dear Ms. Kaye:

Thank for your email dated December 22, 2021, regarding the 2nd Draft Environmental Assessment (EA) for the subject project. On behalf of Lānaʻi Resorts LLC, a Hawaiʻi Limited Liability Company, doing business (dba) as Pūlama Lānaʻi (Applicant), we appreciate you taking the time to provide us comments on this 200-acre master-planned light and heavy industrial development.

On behalf of the Applicant, we offer the following responses to your comments which are presented in **Exhibit A**, herein.

We appreciate your input and will include a copy of your comment letter and this response in the Final EA. Should you have any questions or require further information regarding the proposed project, please contact me at (808) 244-2015, extension 221.

Very truly yours,



Chris Sugidono
Senior Associate

CEJS:ab

cc: Scott Derrickson, State Land Use Commission
Keiki-Pua Dancil, Pūlama Lānaʻi
Calvert Chipchase, Cades Schutte

K:\DATA\Pulama Lanai\MikiBasinExp 1769\Applications\Draft EA\0 2nd DEA Response\KAYE Sally.docx

Comment No. 1:

Ref. 29: *The applicant states that “Full buildout of the proposed 200-acre Miki Basin Industrial Park will be developed incrementally over a period of 20 years. The first half of the potential development timeline includes the relocation of the existing concrete recycling and rock crushing operation and existing asphalt plant, as well as the construction of renewable energy projects. The new industrial uses will be implemented throughout the duration of the project. Over the initial 10-year development period, the estimated development cost for the Miki Basin Industrial Park is \$78.8 million.”*

- (A) *Please confirm the concrete recycling, rock crushing and asphalt plants are each owned/operated by the applicant, and explain why they are being relocated from their current locations.*
- (B) *Please provide an estimate of how much of the initial \$78.8 million development cost will be borne by new industrial users.*
- (C) *Please indicate what plans exist, if any, for the buildings that currently house the industrial uses planned for relocation.*

Response:

- (A) The concrete recycling, rock crushing and asphalt plants are owned by the applicant. Per the Community Plan, the applicant is relocating like uses (Urban District) to the Miki Basin area near other Urban uses, such as the HECO fossil fuel facility, Lānaʻi Airport, and Miki 20 acre Industrial Park.
- (B) Construction expenditures by industrial users will include an estimated \$43.8 million for renewable energy, plus \$22.8 million for buildings (see page REF-408, Table III-2 of the report on economic impacts of the proposed Miki Basin Industrial Park (see Appendix F of EA, starting on page REF-391 of the Draft EA).
- (C) Planned uses that will be relocated are the concrete recycling, rock crushing and asphalt plants. There are no building plans that exist at this time. It should be noted that majority of these uses are not “housed” in a building.

Comment No. 2:

Ref. 29: *The applicant states that “Full buildout of the proposed 200-acre Miki Basin Industrial Park will be developed incrementally over a period of 20 years,” but (Ref. 134) the LUC “requires that projects seeking reclassification be substantially completed within ten years or seek incremental approvals, pursuant to HAR § 15-15-50.”*

- (A) *Please identify what steps the applicant will have to take and approvals required if the development extends beyond 10 years.*

Response:

- (A) During the initial 10-year development period, the proposed Miki Basin Industrial Park will be “substantially completed.” This period includes the relocation of the existing concrete recycling and rock crushing operation and existing asphalt plant, as well as the construction of renewable energy projects. While other new industrial uses will be implemented throughout the duration of the full 20-year development period, it only accounts for 26 acres of the total 200-acre project. It should also be noted that other new industrial uses will be implemented during the initial 10-year period, with some possibly added later in the development process. Because the project will be substantially complete within 10 years, with the majority of the project area developed, the Applicant will not seek incremental approvals from the LUC.

Comment No. 3:

Ref. 43: *The AIS recommended that a data recovery plan be developed for Sites 50-40-98-1980 and 50-40-98-1981, and the plan be implemented prior to proposed construction activities within the parcel.*

- (A) *Please indicate when this data recovery plan will be implemented.*

Response:

- (A) The data recovery plan was developed and will be submitted to the State Historic Preservation Division (SHPD) imminently.

Comment No. 4:

Ref. 46: *“There are no major sources of air pollution in the immediate vicinity and vehicular traffic volumes are low.”*

- (A) *Please provide any information available on pollution emanating from the MECO power plant and the Lana'i airport.*

Response:

- (A) The State of Hawai'i Department of Health (DOH), Clean Air Branch (CAB) maintains air quality monitoring stations throughout the state; however, no monitoring stations are located on the island of Lāna'i. However, *HECO is required to provide data from its stationary generating stations to the DOH CAB. The HECO data is not readily available for Lāna'i and provided only in aggregate by County.*¹

While airplane exhaust from landing and departing aircrafts and emissions from the HECO power plant may affect the surrounding area, air quality in the region is generally good due to the prevailing trade winds.

Comment No. 5:

Ref. 46: "Appropriate BMPs, such as frequent watering of exposed surfaces and regular maintenance of construction equipment, will be utilized to minimize air quality impacts associated with project construction."

Ref. 47: "Dust control would be handled by use of regular wetting of the crushed concrete and rock, and materials storage areas with a sufficient amount of water to saturate the area without causing runoff. The water for the water truck will be supplied by the Lanai Water Company."

- (A) *Please confirm that the water use referenced above will be metered and will exclusively use brackish water. If not, please explain why not.*

Response:

- (A) Upon relocation to the Miki 200 Industrial Park, the applicant will have a water meter installed by Lāna'i Water Company. The applicant will pay for the services provided by Lāna'i Water Company.

Although there is no requirement to use brackish water, the applicant will make its best effort to use brackish water, if available and applicable. For example, there may be issues with the use of brackish water on construction equipment (e.g., salt content in brackish water may cause issues that may

¹ See https://s2.q4cdn.com/268623243/files/doc_downloads/2021/HEI_ESG_2021_R8.pdf, starting on page 53 of 71 in the PDF document online.

compromise the integrity of construction equipment, which subsequently may cause safety concerns).

Comment No. 6:

Ref. 53: *The applicant “will provide or finance its fair share of infrastructure and facilities to support the project.*

- (A) *How will applicant’s “fair share” of infrastructure and facility costs be determined, and who or what will provide the balance of the infrastructure and facilities support costs? How does applicant envision apportioning these costs?*

Response:

- (A) Regarding the relocation of existing uses into the Miki 200 Industrial Park (i.e., concrete crushing facility and related activities and asphalt plant), the applicant will cover the infrastructure costs necessary to support the development and operation of these relocated existing uses.

If the applicant leases an area within the Miki 200 Industrial Park, the leasee would be responsible for infrastructure within the leased area.

If the applicant develops an area within the Miki 200 Industrial Park for its own use, the applicant will develop the infrastructure to support the area and its permitted uses.

Comment No. 7:

Ref. 56: *A large portion of the Industrial Park, “127 acres, is proposed for renewable energy uses such as photovoltaic plus battery energy storage, which would not be a generator of new solid waste.”*

- (A) *Please confirm that at this time the 127 acres are designated solely for solar/storage.*
- (B) *If not, please identify any additional renewable energy sources planned or anticipated.*
- (C) *Please clarify if the applicant has any role in this process, aside from acting as landlord to a potential developer.*

- (D) *If the PUC fails to approve a solar+ storage project submitted in Docket 2015-0389, does the applicant have other option(s) for renewables in this space? If not, how will the acres be used?*

Response:

- (A) At this time, the 127 acres have been assigned to renewable energy projects, which include but are not limited to photovoltaic and battery energy storage technologies. It should be noted that the renewable energy project² that will be developed within the next five years will be based on photovoltaic and battery energy storage technologies.
- (B) It is impossible to predict exactly what type of renewable technologies will be implemented in the future to meet the State's goal of 100% RPS by 2045.
- (C) At the time of this response, the applicant's role in the renewable energy project is as landowner to a potential developer.
- (D) Projects will vary in size, depending on the project plan layout determined by the developers. The 127 acres have been set aside to meet the current needs in PUC Docket No. 2015-0389 and to accommodate future renewable energy requirements, as there is a State goal to reach 100% Renewable Portfolio Standards (RPS) by 2045. The current energy procurement in Docket 2015-0389 is estimated to reach approximately 95% renewable energy for Lāna'i.

The site is the most ideal location for the development of a renewable energy project because it is co-located next to the HECO fossil fuel facility, which is where the interconnection location has been identified by HECO. If there is a need to accommodate permitted uses in the area, those permitted uses are allowed to be located in the 127 acre area.³

Comment No. 8:

Ref. 71: "It is expected that there will be a need for industrial zoned lands on the island of Lanai, considering there is none available presently."

The 1998 Lāna'i Community Plan included 20 acres to be set aside at Miki Basin for industrial use so both the company's (Castle & Cooke at that time) as well as individual residents' industrial uses could be relocated out of the city, and in September, 2000, 13.9 acres of former Ag land was conditionally rezoned for this purpose by Ordinance No. 2895; 10 conditions were

² See Public Utilities Commission (PUC) Docket No. 2015-0389 for more information.

³ See Maui County Code (MCC) 19.24 M-1 Light Industrial District and 19.26 M-2 Heavy Industrial District.

attached, the first was that “50% of the land zoned M-2 Heavy Industrial shall be offered in fee.”

- (A) *Please explain why this has not occurred, why the 20 industrial acres identified for fee simple sale 21 years ago have not yet been offered for sale, and detail where it is in the process of being offered.*
- (B) *In light of the delay in addressing the claimed industrial “needs,” which were acknowledged 21 years ago and again in this draft EA, please justify why more acreage is needed at this time, aside from the 127 acres designated for renewables.*
- (C) *The applicant stated at the 12.15.2021 Lānaʻi Planning Commission meeting that the 20 acres subject to the condominium regime have been rezoned from ag to industrial. Please confirm the date this rezoning was effective.*

Response:

- (A) It is noted that the Miki 20 acre Industrial Park that is referenced in **Comment #8(A)**, is not part of the Miki 200 acre Industrial Park project site. It is however, located adjacent to each other.

The applicant provided the Lānaʻi Planning Commission (LPC) a status on the Miki 20 Industrial Park via a letter dated March 12, 2021. The letter was included on the April 21, 2021 LPC Agenda as item E1.⁴

The information provided here will supersede the information in the letter with updates over the last eight months, provided herein.

On November 23, 2021, HDOT-A signed the Memorandum of Agreement (MOA) and Joinder. This was a critical step in the process, as the Land Court Subdivision Approval could not be completed until the MOA was executed. On or before December 7, 2021, the Amended and Restated Petition had been filed with the Land Court, which included the executed MOA and Joinder.⁵

Here is a summary of the remaining steps in the process to offer the land for sale:

⁴ https://www.mauicounty.gov/DocumentCenter/View/126430/042121_Item-E1_Status-Miki-Basin-CPR-Project---Pulama-Lanai-Memo

⁵ We were informed via email by our counsel that the Amended and Restated Petition, which included the HDOT-A signed MOA and Joinder were filed with the Land Court.

Land use and construction approvals needed for completion of development	Application number	Estimated completion	Status or notes for future necessary steps
<u>Land Court Subdivision Approval</u> <i>Agency:</i> Land Court, State of Hawai'i, and Department of Accounting and General Services, State of Hawai'i (Land Survey Division)	Land Court Consolidation No. 231	60 days after execution of HDOTA MOA (executed on November 23, 2021)	<ul style="list-style-type: none"> • Initial subdivision petition submitted to Land Court in March 2018. • Comments on initial subdivision petition received from Land Court in April 2019. • Land Court requires a restated subdivision to be submitted with HDOTA signing/joining the restated subdivision petition. • HDOTA signed Joinder, MOA, ROE.
<u>Condominium Property Regime (CPR) Documents</u> <i>Agency:</i> None	N/A	30 days after receipt of Land Court Subdivision Approval	<ul style="list-style-type: none"> • Draft CPR documents have been prepared, but still need to be recorded in Land Court. • Land Court subdivision approval needs to be completed before the CPR documents can be recorded.
<u>Developer's Public Report</u> <i>Agency:</i> Department of Commerce and Consumer Affairs, State of Hawai'i (Real Estate Commission/Real Estate Branch)	N/A	90 days after recordation of CPR Documents	<ul style="list-style-type: none"> • Once the CPR documents are recorded, Developer must file a Developer's Public Report to disclose pertinent information regarding the project to prospective purchasers. • An "Effective Date" for the Developer's Public Report must be issued by the Real Estate Commission before units can be sold.

(B) See response to **Comment #1(A)** regarding the 27 acres of relocation of existing urban uses, which include the concrete crushing operations (14.5 acres) and the asphalt facility (12.5 acres).

Ten percent of the project area, 20 acres, is set aside for infrastructure.

The remaining 26 acres have been identified for "other" new industrial uses. See REF-27 of the Draft EA for more discussion on the identification of needs regarding implementation of the Community Plan.

The Community Plan set aside the area in the Miki Basin (225 acres)⁶ for Heavy and Light Industrial Use. Due to the lengthy process to re-zone land at the State and County level, it is prudent to ensure that there is enough land available for future uses. Although there are no details on specific

⁶ Miki Basin includes 225 acres of Heavy and Light Industrial use in the Lāna'i Community Plan. The breakdown includes the following: five acres for the HECO fossil fuel facility, 20 acres for the Miki 20 acre Industrial Park, and 200 acres for the Miki 200 acre Industrial Park.

projects, the additional 26 acres will be used for heavy or light industrial uses in the future.⁷

- (C) This information was provided in the letter to the LPC on March 12, 2021 (see response to **Comment #8(A)**).

See Maui County Ordinances 2894 (2000), 2895 (2000), 4046 (2013), and 4047 (2013).

The County of Maui processed Change in Zoning ordinances for the 20-acre Miki Basin Industrial Condominium, a portion of which became effective September 20, 2000,⁸ and the remaining June 26, 2013.⁹ See Maui County Ordinances 2894 (2000), 2895 (2000), 4046 (2013), and 4047 (2013).

Comment No. 9:

Ref. 178: “This project [the Miki Basin 20-acre condominium development] is anticipated to be subdivided into 31 lots in accordance with County requirements, but the Land Court has yet to approve the subdivision. A petition to the Land Court for approval was submitted in 2018, but which was later amended to include the Hawaii Department of Transportation due to a public road over an easement which runs in part through a portion of the Lanai Airport property. The petition is under review by a Deputy Attorney General.” (Market Assessment, dated September, 2021.)

- (A) Please confirm whether the petition is still under review and explain why the review process has not been completed.

Response:

- (A) For details on the process and timelines for each step, see response to **Comment #8(A)**. It should be noted that responses from the applicant¹⁰ during the process were timely.

Comment No. 10:

Ref. 84: “The project strengthens the state’s economy through [] long-term opportunities in industrial and renewable energy industries.”

⁷ See Maui County Code (MCC) 19.24 M-1 Light Industrial District and MCC 19.26 M-2 Heavy Industrial District.

⁸ <https://www.mauicounty.gov/DocumentCenter/View/82756/Ord-2895>

⁹ <https://www.mauicounty.gov/DocumentCenter/View/86733/Ord-4047>

¹⁰ It should further be noted that applicant has been involved since 2012. Any action before 2012 were undertaken by previous owner.

- (A) *Please detail the long-term opportunities envisioned to be provided by renewable energy industries.*

Response:

- (A) Solar energy, is not dependent on outside market forces. Reducing our reliance on fossil fuel sources, which are volatile and highly dependent on variables that are not within the control of the applicant or the State, and replacing them with stable long-long term renewable energy contracts, will provide stability and provide potential long-term opportunities.

Energy costs are a significant portion of operating expenses. A stable and predictable expense provides the applicant with more confidence to evaluate long-term opportunities.

Comment No. 11:

Ref. 86: "While the underlying lands are designated 'Agricultural' by the State Land Use Commission and County zoning, the Community Plan's 'Light Industrial' and 'Heavy Industrial' land use designations recognize the need to provide for these critical economic development uses which may include relocation of uses from Lanai City."

Ref. 112-113: "Construction of the industrial park will allow existing industrial facilities currently scattered in business and residential areas in Lana'i City to relocate to more appropriate locations having the infrastructure and buffers necessary for industrial uses."

- (A) *Please identify the existing "scattered" industrial uses referenced above that are envisioned to be relocated, both those that are operated or controlled by the applicant and those that are not.*

Response:

- (A) The Applicant plans to relocate its existing asphalt plant from its current location near Kaumālapa'u Harbor, as well as relocate its existing concrete recycling and rock crushing operation near Mānele Project District and Miki 20 acre location to the proposed Miki 200 acre Industrial Park project location. It is not known which specific businesses may request or apply to relocate to the Miki 200 acre Industrial Park, but the Applicant will discuss with interested entities. See response to **Comment #20(A)** for more details.

This project implements the vision for placement of industrial land uses on the island and expands upon the much-needed industrially zoned land area called for in the Lāna'i Community Plan.

Comment No. 12:

Ref. 98: *“It is noted that certain uses, including asphalt plant and rock crushing operations, are identified as special uses by the zoning ordinance and the applicable County Special Use Permit will be obtained.”*

Ref. 437: *“Pulama Lana‘i has submitted a Special Use Permit to the County of Maui Planning Department for the relocation of the interim industrial uses.”*

- (A) *Please confirm whether the CUP referenced above is the one applied for on 8/16/2021.*

Response:

- (A) Please see the hyperlink¹¹ to the September 15, 2021 LPC meeting, item E1: Open Lāna‘i Applications Report, page 1 of 2 (Miki Basin Interim Industrial Uses Special Use Permit Application SUP2 20210008). The application was entered into KIVA on August 16, 2021.

Comment No. 13:

Ref. 115: *“The proposed Miki Basin Industrial Park will include 127 acres for renewable energy projects (e.g., photovoltaic plus battery energy storage), 20 acres for infrastructure purposes (10 percent of the project area which will be used for roads, common areas, and other related uses), 12.5 acres for the relocation of an existing asphalt plant, and 26 acres for new industrial uses. The remaining 14.5 acres will be used for the relocation of an existing concrete recycling and rock crushing operation, and for the materials storage and stockpiling of aggregate and construction materials.”*

- (A) *Please confirm it is the applicant’s intent that approximately 63% of the 200 acres will be dedicated to the planned solar+ storage, 10% will be dedicated to supporting infrastructure, 13% is made available to new industrial uses, and applicant is reserving the balance, 27 acres or 13.5%, for its own use.*

¹¹ <https://www.mauicounty.gov/ArchiveCenter/ViewFile/Item/28499>

Response:

- (A) Please see the table below for a summary. It should be noted that “other new industrial uses” may or may not be for applicant use.

Use Description	# of acres	% of total acres in subject application
Renewable Energy	127	64%
Infrastructure	20	10%
Relocation of existing asphalt plant	12.5	6%
Relocation of existing concrete recycling and rock crushing operation	14.5	7%
Other new industrial uses	26	13%
Total	200	100%

Comment No. 14:

Ref. 116: “The proposed action contemplated in the November 2019 Draft EA was 100 acres of light industrial uses and 100 acres of heavy industrial uses. Since that time, additional planning has led to the refinement of the uses within the Miki Basin Industrial Park.”

- (A) Please discuss in detail the “additional planning” that occurred.

Response:

- (A) Since the publication of the 2019 Draft EA, the Applicant has refined its plans for the proposed Miki 200 Acre Industrial Park. This includes the identification of 127 acres for renewable energy projects, 20 acres for infrastructure purposes, 12.5 acres for the relocation of its existing asphalt plant, and 26 acres for new industrial uses. An additional 14.5 acres is also planned for the relocation of its existing concrete recycling and rock crushing operation, and for the storage and stockpiling of aggregate and construction materials.

The further detailed plans also included updates to a number of technical studies that were provided in the 2nd Draft EA. Updates were made to the Market Assessment; Economic, Population, and Fiscal Impacts Report; Traffic Impact Analysis Report; Water Master Plan; New Well Supply

Alternative study; Wastewater Master Plan; Drainage Report; and Cultural Impact Assessment.

Comment No. 15:

Ref. 129: “A prior [LUC] docket, A89-649 Manele Golf Course, required under Condition 1, that Petitioner convey 25 acres of lands to the State of Hawaii: a proposed 15-acre industrial parcel and a proposed 10-acre commercial parcel. The Assessment should discuss the location of these lands with respect to the proposed district boundary amendment; including whether these lands have been conveyed to the State and how any proposed projects on those lands will interact with [the applicant’s] proposed development.” (LUC Ltr., 11/19/2018)

- (A) Please explain why the above comment from the LUC was not addressed in the EA and provide the discussion requested.
- (B) In addition, please provide an update of the progress of these commitments to transfer the 15-acre and 10-acre parcels.

Response:

- (A) Regarding LUC Docket No. A89-649 Manele Golf Course, Condition 1, please visit the following hyperlink, <https://luc.hawaii.gov/wp-content/uploads/2021/03/A89-649-Annual-Report-2020.pdf>, for the status report filed to the Land Use Commission for calendar year 2020.

The text below is extracted from the status report for convenience:

The Petitioner has complied with Condition 1 in that it did "...make available to the State" the real property described in this condition, under the terms stated in this condition.

By letter dated September 27, 2010, the State Department of Land and Natural Resources (DLNR) notified Petitioner that (1) the State of Hawaii has not secured the necessary appropriation to fund processing of approvals required to complete the conveyance, (2) the State of Hawaii still desires to accept the sites, and (3) the Department of Hawaiian Home Lands (DHHL) recently expressed to the State Office of Planning and DLNR that DHHL is interested in accepting the lands from Petitioner on behalf of the State of Hawaii, subject to proper credit to the settlement pursuant to Act 14, Special Session Laws of Hawaii 1995, as well as DLNR and Hawaiian Homes Commission approvals.

There is no pending action by the applicant to transfer the lands at this time. The transfer of the lands cannot be completed until the subdivision application process has been completed, by DHHL. The applicant is in regular communication with DHHL and awaits the approval of the subdivision application.

The 10 acre and 15 acre parcels that have been made available to the State are not within the subject project area of the Miki 200 Industrial Park, nor are they located in the Miki Basin area. Further, DHHL has not shared their development plans with the applicant or their constituents on Lānaʻi for the 10 acre or 15 acre parcels. Due to the unknown development plans for the 10 acre and 15 acre parcels, it was not addressed in the EA.

- (B) See response to **Comment #15(A)**.

Comment No. 16:

Ref. 134: *“The EA/EIS and/or petitioner should provide a schedule of development for each phase of the total project and a map showing the location and timing of each phase or increment of development. Regarding infrastructure (e.g., highway improvements), the petitioner should discuss how improvements will be completed to ensure that mitigation coincides with the impact created by the proposed project.” (SOP Ltr. 11/2018.)*

- (A) *Please indicate where in the draft EA the above requested phase schedule and maps appear.*
- (B) *If they have not been prepared, please provide, indicating what physical portions of the 200 acres are envisioned to be part of the first 10-year phase of development.*

Response:

- (A) The development timeline was included on page REF-29 of the Draft EA, Section F: PROJECT COST AND TIME SCHEDULE. The conceptual site plan was included on page REF-28 and organized by identified use type (i.e., Heavy or Light Industrial use). The graphic below provides a summary by the identification of use type (page REF-28), proposed uses, and timeline (page REF-29) and will be included in the Final EA.

Identified Use (Community Plan)	Year 1 to 10	Year 11 to 20
Heavy Industrial Use (M-2)	<ul style="list-style-type: none"> Relocating existing industrial uses (i.e., concrete recycling and rock crushing operation and existing asphalt plant) 	
Heavy and Light Industrial Use (M-2 and M-1)	<ul style="list-style-type: none"> Renewable energy projects (e.g., Photovoltaic plus battery energy storage) <ul style="list-style-type: none"> Current Request For Proposals include an expected guarantee commercial operation date (GCOD) of August 2025, developers are encouraged to have a GCOD date of December 2024 Other New industrial uses 	<ul style="list-style-type: none"> Other New industrial uses

(B) See response to **Comment #16(A)**.

Comment No. 17:

Ref. 135: “Glint/Glare Hazards, Airport Airspace analysis (iOE/AAA), Combined Federal Regulation CFR Part 77 (e-CFR format) Current as of December 15, 2015.”

(A) Please discuss what measures will be taken to avoid hazardous glare that will emanate from the proposed solar plus storage acreage, and identify which party will be responsible for taking such measures.

Response:

(A) The renewable energy developer will be responsible for complying with all Federal, State, and County regulations regarding the development of solar projects near the airport.

Comment No. 18:

Ref. 161: “We also recommend a discussion of the consistency of this current proposal for the Miki Basin Industrial Park with the projected buildout described in the 2011 Lanai Water Use and Development Plan.” (CWRM Ltr., 12/17/2019.)

- (A) Please identify where in the draft EA this discussion appears. If it is not provided, please provide.

Response:

- (A) The 2011 Lanai Water Use and Development Plan included various projects, some of which have no development plans or development plans have changed. The response to **Comment #23(D)** provides a more realistic projected water demand as the applicant has included the water demand for projects that have been submitted or approved in the entitlement and permitting processes or have been provided a reservation (see REF-66).

Comment No. 19:

Ref. 173: “Regarding market feasibility, commitments are in place for 174 acres (87%) of the Project area. An additional 7.6 acres for ‘typical industrial activities’ will increase the projected demand to 181.6 acres (91%) by 2030.”

- (A) Please specifically identify who or what entities have made commitments for the 174 acres.

Response:

- (A) Please see the table below for a summary.

Use Description	# of acres	Commitments
Renewable Energy	127	Developer to be selected in 2022 by HECO’s request for proposal
Infrastructure	20	shared commitments
Relocation of existing asphalt plant	12.5	Pūlama Lāna’i
Relocation of existing concrete recycling and rock crushing operation	14.5	Pūlama Lāna’i
Other new industrial uses	26	TBD

Comment No. 20:

Ref. 180: “A pent-up demand for industrial land and industrial space to accommodate ‘typical industrial activities’ is readily apparent on Lanai. Many businesses in Lanai City are operated from homes, partly because there are no industrial parks on Lanai that serve small scale tenants. Yards and rooms are used for operations and to store equipment and supplies.”

- (A) Please specifically identify which businesses are referenced above to support the claim of “pent-up demand,” and explain the cost structure that will allow these small-scale tenants to be able to afford to relocate to the industrial park.

Response:

- (A) Please see page REF-180 for some of the industrial activities that are listed on and described as industrial activities that could or are likely to develop at Miki 200 that are currently operating out of residential homes or vehicles. Rents will be determined by market rates at the time of interest.

Comment No. 21:

Ref. 180: “Fruit and vegetable processing, possibly with a shared commercial kitchen.”

- (A) The above is listed as “likely” to develop at Miki. Please explain how this would differ from, and would not duplicate, what Sensei Farms is currently offering.

Response:

- (A) Currently, Sensei Farms is not operating a commercial kitchen for fruit and vegetable processing. A facility to process value added products from fruit and vegetables, such as a processing facility or shared commercial kitchen, is a permitted use in light industrial areas according to Maui County Code (MCC) 19.24 M-1 Light Industrial District.

Comment No. 22:

Ref. 208: “A special effort was made to look for evidence indicating the presence of ope‘ape‘a, or Hawaiian hoary bat, by conducting an evening survey at two (2) locations within the project area.”

- (A) Please provide details of this survey, was it a one-time effort? Over what period of time and on what dates? At which locations?

Response:

- (A) The author, Bob Hobdy, provided the following response to Comment 22:

On April 13 & 14, 2018 an environmental survey was conducted on the 200 acre Miki Basin Industrial Development Project on Lāna‘i to assess the flora and fauna resources. One component of this survey was conducted during the evening hours to ascertain any presence of the endangered Hawaiian hoary bat. A bat detector (Batbox IIID) was employed, set to the frequency of 27,000 Hertz which these bats are known to emit when echo-locating for nocturnal flying insects on which they feed. The survey was conducted at two (2) locations, one in the center of the project area and another near the southern boundary. No bats were detected at either location with this device. These bats are rare on Lāna‘i and have only been detected in the summit forests on Lāna‘i.

Comment No. 23:

Ref. 438: On 7/15/1994 the former landowner signed a lease with the state for a 100-acre agricultural park, to be located near the proposed industrial park, that provides for an average of .20 MGD of water. On 6/4/2018, applicant filed a compliance update with the LUC indicating that the land had been leased to the state, <https://luc.hawaii.gov/wp-content/uploads/2018/06/LUC-Manele-2017-Annual-Report-Docket-A89-649.pdf>, and on 3/5/2021, applicant filed a compliance update marking this condition as “completed.” <https://luc.hawaii.gov/wp-content/uploads/2021/03/A89-649-Annual-Report-2020.pdf2>

Applicant’s consultant now states the “Proposed water use for the full buildout of the industrial Park is based on the existing demands on [PWS 238] and potential development plans,” and is expected to be “592,625 gpd.”

- (A) Please clarify the status of 100-acre ag park lease.

- (B) *Please confirm whether the above estimate of existing and potential development demands on PWS 238 includes the water reserved for the 100-acre ag park.*
- (C) *Using applicable county water standards, please confirm whether the above estimate includes water use for the 10-acre commercial parcel and the 15-acre light industrial parcel.*
- (D) *If it does not include the above, please revise accordingly, and identify the source(s).*
- (E) *Please specifically identify any additional projects noted in the Community Plan that will draw resource from PWS 237 or PWS 238 and how much water resource will be required.*

Response:

- (A) The 100-acre State Ag Park is not located within the Miki 200 Industrial Park. The lease for the 100 acre State Ag Park was executed on July 15, 1994 and amended on November 28, 1994. To date, there has been no development by the State on the 100 acre parcel.
- (B) The water master plan starting on REF-435 of the Draft EA does not include the water reservation for the 100 acre State Ag Park. It is noted that the lease executed includes a 0.200 MGD water reservation;¹² however, the Lānaʻi Water Use and Development Plan references 0.500 MGD (see **Comment #25 (A)**).

The amended lease¹³ includes language in Section 19 to read as such:

...the parties further agree that additional water will be allocated to the agricultural park on the property in the future, but that the need for such additional water will be the Lessee's responsibility to justify and that any costs incurred for this additional water will be borne by Lessee.

To date the lessee has not justified an increase in additional water, and there has been no action by the State to develop its 100 acre ag park. Because there has been no action by the State for 28 years to develop the State Ag Park, the Water Master Plan included in the EA did not include the water reservation for the State Ag Park.

¹² Document No. 2165943, filed on July 21, 1994, Section F (19) Water Development.

¹³ Document No. 2199103, filed on November 28, 1994, Amendment 1.

- (C) The water master plan starting on REF-435 does not include the estimated demand for the 10-acre commercial parcel or the 15-acre light industrial parcel.

Development plans for the 10 acre or 15 acre parcel have not been disclosed (see response to **Comment #15(A)**).

- (D) As stated in response to **Comment #23(B)**, the leasee has not justified an increase in additional water and there has been no action by the State to develop its 100-acre ag park.

- (E) The applicant has included the water demand for projects that have been submitted or approved in the entitlement and permitting processes.

The Community Plan includes numerous projects, many of which have no development plans or development plans have changed. The graphic on REF-66 of the Draft EA provides a reasonable projected water demand.

Comment No. 24:

Ref. 438: The Akinaka Master Water Plan details improvements that will be required to support full buildout of the proposed industrial park.

- (A) *Please provide calculations confirming that water required by 1) the lease agreement for the 100-acre ag park/500,000 GPD reservation for ag activities; 2) the 10-acre commercial parcel; and 3) the 15-acre light industrial parcel can also be accommodated by these improvements.*

Response:

- (A) See response to **Comment #23(C) and (D)**.

Comment No. 25:

Ref. 456 and 464: Applicant's consultants state, "The Akinaka report concluded that new well supply for the Manele Bay System of at least 426 gallons per minute (GPM) capacity will be required" and have identified a preferred site for required new water source, in the Leeward aquifer, where all existing wells, but one, are currently located.

- (A) *Did these assessments and this recommendation incorporate the additional water demand needed for the 100-acre ag park and/or the 500,000 GPD referenced in the WUDP, and the 25 acres for*

commercial and light industrial use? If so, where in the EA do the supporting calculations appear?

- (B) *If it does not, please provide supporting calculations, and revise or amend.*
- (C) *Once the missing calculations are incorporated, please confirm, with numerical support, a justification that developing a new water resource from the Windward aquifer is not needed.*

Response:

- (A) See response to **Comment #23(B), (C), and (D)**.
- (B) See response to **Comment #25(A)**.
- (C) See response to **Comment #25(A)**.

REFERENCES



X. REFERENCES

- County of Maui, 2010, 2030 General Plan, Countywide Policy Plan, Wailuku, Hawai'i.
- County of Maui, Department of Fire and Public Safety, 2014-2015 Annual Report.
- County of Maui, Department of Planning, 2012, Land Use Forecast, Island of Lāna'i, Maui County General Plan 2030, Wailuku, Hawai'i.
- County of Maui, Department of Planning, Lāna'i Community Plan, 2016.
- County of Maui, Department of Water Supply, Lāna'i Island Water Use and Development Plan, 2011.
- County of Maui, Office of Economic Development, 2019 Maui County Data Book.
- Intergovernmental Panel on Climate Change (IPCC) (2007). Summary for Policymakers. In: Climate Change 2007: The Physical Science Basis. EXIT Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change [Solomon, S., D. Qin, M. Manning, Z. Chen, M. Marquis, K.B. Averyt, M. Tignor and H.L. Miller (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA.
- State of Hawai'i, Department of Agriculture, Agriculture Functional Plan, 1991.
- State of Hawai'i, Department of Education, Official Enrollment County School Year 2020-2021, <https://www.hawaiipublicschools.org>.
- State of Hawai'i, Department of Health, Clean Air Branch, Hawaii Greenhouse Gas Emissions Report for 2015, Final Report, January 2019.
- State of Hawai'i, Department of Labor and Industrial Relations (DLIR), 2020, Current Employment Statistics, <http://www.hiwi.org>.
- State of Hawai'i, Department of Labor and Industrial Relations (DLIR), 2021, Current Employment Statistics, <http://www.hiwi.org>.
- U.S. Department of Agriculture (USDA), Soil Conservation Service, Soil Survey of Islands of Kauai, Oahu, Maui, Moloka'i and Lanai, State of Hawai'i, August 1972.
- U.S. Census Bureau, American Community Survey, Five-Year Population Estimates, 2019.
- U.S. Environmental Protection Agency (EPA), 2019, GHG Reporting Program Data, <https://ghgdata.epa.gov/ghgp/main.do>, accessed June 2021.