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WILLIAM J. AILA, JR.  
CHAIRMAN  
HAWAIIAN HOMES COMMISSION

TYLER I. GOMES  
DEPUTY TO THE CHAIRMAN

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

P. O. BOX 1879  
HONOLULU, HAWAII 96805

November 13, 2020

Jonathan Scheuer, Chair  
and Members, State Land Use Commission  
Testimony submitted via email to:  
dbedt.luc.web@hawaii.gov

Subject: A19-809 Lānaʻi Resorts, LLC dba Pūlama Lānaʻi, Consider Motion to Issue Notice of a Finding of No Significant Impact for Docket No. A19-809 Lānaʻi Resorts, LLC's Petition to Amend the Land Use District Boundaries of certain land situated at Lānaʻi City, Island of Lānaʻi, consisting of approximately 200 acres from the Agricultural District to the Urban District. TMK (2)4-9-02:01 (por.)

Dear Chair Scheuer and Members of the State Land Use Commission:

As a landowner of fifty (50) acres of land designated for homesteading on the Island of Lānaʻi (see Exhibit 1a), it has only very recently come to DHHL's attention that an Environmental Assessment was underway for this District Boundary Amendment application. We were a bit dismayed by this, because DHHL is regularly consulted with, and our comments solicited by, various agencies and private parties during the Environmental Review process per Chapter 343, Hawaii Revised statutes. While it is rather late in the process, we are confident that the Land Use Commission will take our comments into consideration when deciding whether to issue a Finding of No Significant Impact for the environmental assessment that had been prepared for this docket, and that our comments will also be included in the Final Environmental Assessment.

In order to provide the Commission with some background, DHHL is in the process of issuing residential homestead leases for the remaining lots in its first increment of 45 residential lots on 15 acres near Lānaʻi High and Elementary Schools. One of the challenges our beneficiaries face in building homes on their lots is being able to qualify for a construction loan. Lānaʻi can be a challenging place economically, and DHHL has been seeking ways in which to provide additional economic opportunities for our beneficiaries, and potentially, revenue for DHHL so that we will eventually be able to develop the next phase of residential lots, as well as park and community use areas, on the remaining 35 acres designated on Lānaʻi for homesteading. See Exhibit 1b.

With that goal in mind, in 2010 DHHL agreed to assume interest in the Agreement to Convey 25 acres of land (ten acres near Lānaʻi City and fifteen acres near Lānaʻi Airport), previously entered into by the State of Hawaiʻi Board of Land and Natural Resources (BLNR) with the former owner of lands now owned by Lānaʻi Resorts, LLC dba Pūlama Lānaʻi. This Agreement to Convey is the instrument the State is using to assist the landowner in satisfying Condition No. 1 of the Decision and Order, dated April 16, 1991, for Docket No. A89-649 Lanaʻi Resort Partners, which redistricted lands at Manēle from Agricultural to Urban

(approx. 28 acres) and Rural to Urban (approx. 110 acres) to allow construction of the Manele Golf Course and surrounding resort development.

This assumption of interest in the Agreement to Convey constituted partial satisfaction of a settlement agreement for land transfer by the State to DHHL of 16,518 acres under the final comprehensive resolution addressing DHHL land and title claims passed by the Legislature and signed into law as Act 14, Special Session Laws of Hawaii, 1995. The intent of Condition No. 1 of the Decision and Order for Docket No. A89-649 was for the State to provide economic development opportunities for Lānaʻi residents in a setting that provide an alternative to having to lease business space from the primary landowner on the island. DHHL is carrying out that intent by pursuing subdivision of the 25 acres, with permission of the landowner, and facilitating a transfer of title. See Exhibit 2.

During the County of Maui's update of the Lānaʻi Community Plan in 2014, DHHL attended meetings of the Lānaʻi Planning Commission and submitted testimony along the lines of the information provided above, with the intent of apprising the Lānaʻi Planning Commission and Maui County Planning Department of DHHL's intent to pursue the land transfer authorized by the BLNR in 2010. Since subdivision and land transfer had not yet occurred, the Lānaʻi Planning Commission was unable to support changing the Community Plan Land Use designations for those areas, but did go on the record as supporting DHHL's efforts to provide future alternative economic development and entrepreneurship opportunities for Lānaʻi residents.

To date, beneficiary interest in the future 15-acre industrial site near the airport has been focused on rental car and automotive-supportive services. Interest in the future 10-acre commercial site near Lanai City has been more diversified, with personal and food services mentioned the most frequently. While the acreage to be devoted to light industrial uses by Pūlama Lānaʻi is substantial at 100 acres, DHHL foresees a complementarity of opportunities and intends to work in a cooperative manner with Pūlama Lānaʻi to provide the most diversified palette of commercial and light industrial business opportunities to the residents of Lānaʻi. Also, due to the time it may take to make improvements and prepare the sites for leasing, DHHL does not anticipate any major impacts to its plans for use of future non-homesteading areas that would be caused by the granting of this District Boundary Amendment. DHHL also commends Pūlama Lānaʻi for being willing to invest in the economic future of the Lānaʻi community and contribute to the diversification of the island's economic base, as this will only serve to increase the earning power of DHHL's beneficiaries, which will in turn increase their ability to finance new homes on residential homestead lots on Lānaʻi.

Interestingly enough, there is no mention of the subdivision of two parcels and intended transfer of title to DHHL in the entire Environmental Assessment. This subdivision process has been underway since March of 2019, starting with the submittal of the application to County of Maui Department of Public Works. Consultation with Pūlama Lānaʻi started several years prior to that. Adding a short discussion of DHHL's intentions with regard to future industrial development near the airport's southern end, and commercial development near Lānaʻi City, would make the Environmental Assessment more accurately describe the future socio-economic conditions of Lānaʻi.

DHHL appreciates having an opportunity to comment on the Environmental Assessment for this District Boundary Amendment, and highly encourages the applicant in future to consider transmitting environmental review requests to DHHL at its earliest convenience, preferably during the early consultation phase, for any and all proposed projects on the island of Lānaʻi. As a fiduciary duty, DHHL and the Hawaiian Homes Commission have a vested interest in supporting the economic health and societal well being of our beneficiaries on Lānaʻi, many of whom are descended from founding native Hawaiian 'ohana

Chair Scheuer and Members  
State Land Use Commission  
November 13, 2020  
Page 3

of the island. Their roots go deep, and their commitment to staying on Lāna‘i and raising their families is strong. We at DHHL intend to do all that we can to support that intention.

If the Land Use Commission has any questions regarding our comments on this matter, please feel free to contact Andrew H. Choy, Acting Planning Program Manager, at [Andrew.h.Choy@hawaii.gov](mailto:Andrew.h.Choy@hawaii.gov).

Aloha,



William J. Aila, Jr., Chairman  
Hawaiian Homes Commission

C: Lynne McCrory, Senior Vice President of Government Affairs, Pūlama Lāna‘i