

Pre-decisional Document

**DOCKET NO. A19-809 Pūlama
Lānaʻi – Miki Basin**

Petition to Amend the Land Use District
Boundaries of certain lands situated in
Lānaʻi City, for an industrial park and other
uses at Miki Basin.

***STAFF
REPORT***

ACTION MEETING
February 8th, 2023



Daniel Orodener, Executive Officer

Submitted: February 3, 2023

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1. EXPLANATION OF THE PROCEEDING

The proceeding before the Land Use Commission is to consider the Petition by Lāna‘i Resorts Pūlama Lāna‘i (“Petitioner”) to reclassify approximately 200 acres of land in the Agricultural District to the Urban Land Use District at Miki Basin, Island of Lāna‘i, State of Hawai‘i.

The project known as Miki Basin Industrial Park (“Project”) proposed a 200-acre master- planned light and heavy industrial development adjacent to Lāna‘i Airport, Maui Electric powerplant and an existing 20-acre Miki Basin Industrial Condominium.

The Parties will present their final arguments and stipulated support for the 2nd Amended Proposed Findings of Fact, Conclusions of Law, and Decision and Order (filed January 18th, 2023).

2. BACKGROUND INFORMATION

On November 16th, 2022, the LUC hosted the first hearing for this matter in Maui at the Maui Arts & Cultural Center, Haynes Meeting Room 1 Cameron Way, Kahului, HI 96732 at 9:00 a.m.

On November 16th, 2022, the Petitioner filed their First Amended Exhibit List and Certificate of Service.

On November 18th, 2022, the Petitioner filed their Second Amended Exhibit List and Exhibit 21.

On December 12, 2022, the LUC sent a letter and email to the Parties containing the updated deadline dates.

On December 20, 2022, the Petitioner filed Stipulation Regarding Deadlines.

On January 3, 2023, Petitioner filed the Proposed Findings of Fact, Conclusion of Law, and Decision and Order.

On January 9, 2023, Petitioner filed the Amended Proposed Findings of Fact, Conclusion of Law, and Decision and Order.

On January 18, 2023, the Office of Planning and Sustainable Development filed their response to Petitioners Amended Proposed Findings of Fact, Conclusion of Law, and Decision and Order.

On January 18, 2023, the Petitioner filed Stipulated Second Amended Proposed Findings of Fact, Conclusion of Law, and Decision and Order.

On January 26, 2023, the Land Use Commission Mailed/Emailed agenda for the February 8-9 meeting to Parties, Statewide, and Maui list.

3. SPECIFIC COMMISSION CONCERNS/ISSUES (NOTE: This Report is supplemental to the Staff Report for the original November 16, 2022 hearing and should be read in conjunction with the prior report)

Water resource management

At the last hearing, concerns were raised regarding water conservation, sustainable yield, and water availability.

Conditions in the Proposed Decision and Order

1. Preserving Water Resources. In consultation with the Commission on Water Resource Management, Petitioner shall install water efficient fixtures and implement water efficient practices throughout the development to reduce the increased demand on the area's freshwater resources. Alternative water sources shall be used wherever practicable.
2. Stormwater Management. To the satisfaction of the County Department of Public Works, Petitioner shall implement BMPs for stormwater management to minimize the impact of the project to the existing area's hydrology while maintaining on-site filtration and preventing polluted runoff from storm events.
3. CWRM Water Audit Program. Petitioner shall expand its participation in the State Commission of Water Resources Management's Water Audit Program to include the Miki Basin Industrial Park and update its water usage data

Photovoltaic and battery storage

At the last hearing, concerns were raised regarding the potential of Pūlama Lāna'i taking two resorts off-grid, which may result in an overall load reduction on the island-wide system of approximately 40 percent. In the event pulling the hotels off the existing grid would lead to an increase in costs for consumers, Pūlama Lāna'i represented and committed it will either offset the increase or not pursue that course of action [Id. at 164:13 to 167:20, 180:2-15.]

Conditions in the Proposed Decision and Order

21. Consumer Cost Condition. If an increase to rate payers will result from the removal of the two hotels from the existing grid, Petitioner will commit to either offset the increase or not remove the hotels from the grid.

Specification of renewable energy

At the last hearing, concerns were raised regarding the possibility of the proposed renewable energy project expanding outside of the project description in the application before the Commission.

On page 15, line 113 of the Stipulated Proposed Decision and Order. Petitioner has committed that the 127 acres slated for the renewable energy project will only use the technology of photovoltaic and battery energy storage as represented in the FEA.

Conditions in the Proposed Decision and Order

20. Renewable Energy. The 127 acres within the Project Area that have been planned for renewable energy will only be used for the technology of photo-voltaic and battery storage.

4. SUMMARY OF OPSD POSITION STATEMENT

In the Office of Planning and Sustainable Development (“OPSD”) [response](#) to the Amended and Proposed Decision and Order filed January 18th, 2023, OPSD agrees with Petitioner’s Amended Proposed Findings of Fact, Conclusions of Law and Decision and Order and recommends approval by the Land Use Commission.

5. SUMMARY OF COUNTY POSITION STATEMENT

The County of Maui’s Department of Planning supports the reclassification of the Petition area.

The Department has not submitted a response to the Amended and Proposed Decision and Order at this time.

6. STAFF RECOMMENDATION

Please remember that in making a motion to approve or deny the Petition, movant should state the specific reasons for the motion within the motion or in the following discussion. Doing so provides staff the necessary guidance in drafting the Decision and Order for final adoption.

In the event the LUC is inclined to approve the reclassification of the Petition Area in its entirety, staff recommends that the approval be subject to the original 21 conditions identified in Petitioner’s Stipulated and Second Amended Proposed Findings of Fact, Conclusions of Law, and Decision and Order (filed January 18th, 2023), amendments or additions by Commissioners to proposed findings as identified in discussion, and the conditions proposed by OPSD. Additionally, the Commission should direct staff to make necessary modifications to procedural matters and standardizing format, style, grammar, and spelling.