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To: "planning@mauicounty.gov" <planning@mauicounty.gov>
CC: Paul Subrata <psubrata@mlpmaui.com>, "Michael S. Hotta" <mhotta@kapalua.com>
Date: 8/21/2020 3:13 PM
Subject: Planning Commission Special Meeting August 25, 2020 MLP Testimony
Attachments: MLP Planning Commission Testimony WMCP (8-21-20).pdf

Dear Chair Carnicelli and Commission Members,

On behalf of Maui Land & Pineapple Company Inc. (MLP) I am submitting the attached testimony for the August 25, 2020 Planning Commission Special Meeting regarding the Draft West Maui Community Plan Community Plan Advisory Committee Draft.

Thank you for the opportunity to provide testimony. Paul Subrata of MLP and I will both attend the meeting via BlueJeans to summarize MLP's concerns and respond to any questions the Planning Commission may have.

Tom Schnell, AICP
Principal

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As we continue to monitor the spread of COVID-19, PBR HAWAII will remain open for business (and collecting U.S. Postal Service mail) with our staff working remotely. We have the ability to host and participate in online conference calls and meetings to meet your project needs. As always, PBR HAWAII is committed to providing you with the high level of service you have come to expect from us. Please feel free to reach out to any of our staff by email or phone if you have questions or have a delivery for us. We wish you all great health!



Maui Land & Pineapple Company, Inc.

August 21, 2020

Maui Planning Commission

SUBJECT: MAUI LAND & PINEAPPLE COMPANY INC., TESTIMONY ON THE *DRAFT WEST MAUI COMMUNITY PLAN ADVISORY COMMITTEE DRAFT* (UPDATED JUNE 2020); PLANNING COMMISSION HEARING AUGUST 25, 2020

Dear Chair Carnicelli and Commission Members,

Thank you for the opportunity to share our concerns regarding the *Draft West Maui Community Plan Advisory Committee Draft* (updated June 2020). Maui Land & Pineapple Company Inc (MLP) is one of the largest landowners on Maui with a majority of our lands in West Maui. From our roots as a pineapple plantation and formerly one of Maui's largest employers, we have cared for the land and our employees. Starting in 1970s, to diversify our assets, we started planning, then developing one of Maui's premiere designation resorts, the Kapalua Resort. While we no longer cultivate pineapple, we have retained the majority our land and kept our promises to our former agricultural workers by honoring our pension obligations.

Our main concern with the *Draft West Maui Community Plan Advisory Committee Draft* is the elimination of Project District designations and replacement with community plan designations that are not consistent with current Project District zoning and ordinances (which are codified under Maui County Code (MCC) Chapter 19, Zoning) and can only be changed by the Maui County Council. Thus, if the community plan Project District designations are changed to something other than Project District, then these areas would not be consistent with their Project District zoning and the associated Project District ordinances. This will create conflicts and ambiguities as to the land uses permitted within former Project District areas, where those land uses may be located, and how applications for approval are processed.

The Kapalua Resort includes two Project Districts, which have been on community plans for West Maui starting in 1982 with the Lahaina Community Plan:

- Lahaina Project District 1 (Kapalua), related Project District ordinance codified as MCC Chapter 19.73
- West Maui Project District 2 (Kapalua Mauka), related Project District ordinance codified as MCC Chapter 19.92,

Please refer to the attached overview of Project District 1 and Project District 2 for information regarding the history, location, area, and land use designations of each Project District. Note that in approving the Project District ordinances for Project District 1 and Project District 2, the Council required several required agreements and conditions of approval (relating to, among other things, affordable housing and park dedication). Materially changing the nature of the previous Council approvals for Project District 1 and Project District 2 puts into question the validity of those conditions since the fundamental Council approval would be altered if Project District 1 and Project District 2 were eliminated from the West Maui Community Plan

To avoid conflicts, ambiguities, and uncertainties related to the elimination of Project District 1 and Project District 2, we respectfully request that the Planning Commission recommend to the Maui County Council that *Draft West Maui Community Plan Advisory Committee Draft*.

- Figure 3.2, Community Plan Map (page 87) be revised to show the two current Project District areas within Kapalua; and
- Figure 3.3, Subarea 1 (Napili and Kapalua) (page 89) be revised to show the two current Project District areas within Kapalua.

In addition, since we request that Project District 1 and Project District 2 be retained, we do not agree that the Kapalua area should be listed in *Draft West Maui Community Plan Advisory Committee Draft Chapter 3.6, Areas of Change* and suggest that this section be deleted in its entirety (including Update Figure 3.2, Community Plan Map).

MCC Section 2.80B.070(E)(14), Community Plans specifically states that “a community plan may contain one or more project districts.” Therefore, we find no reason why Project District 1 and Project District 2 should not be retained as designated in the 1996 *West Maui Community Plan* and as codified in MCC Chapter 19.

When the Council adopted the *Lanai Community Plan* in 2016 and *Molokai Island Community Plan* in 2018, the Council included Project District designations on those plans and expressly affirmed “Additional project districts may be developed over time” (See 2016 Lanai Community Plan, Appendix 9.2, page A-17, & 2018 Molokai Island Community Plan, Appendix 6.1, page 266).

Under the structure of the Maui County Zoning Code (MCC Chapter 19), the “Project District” designations on the Community Plans are an essential component of the zoning for these lands. Elimination Project District designations from *West Maui Community Plan* will, if enacted, conflict with the jurisdiction and authority of the Planning Department and Planning Commission to process Project District Phase II and III applications for existing West Maui Project Districts. That conflict potentially puts all West Maui project districts in a state of limbo, with no meaningful ability to proceed with development and could result in serious jeopardy financing and feasibility. Until those potential consequences are carefully analyzed and addressed by the Council, we respectfully submit that Project District designations should not be eliminated from the *West Maui Community Plan*.

Thank you for the opportunity to provide our comments and suggestions. Please contact us if you have any questions or require additional information at psubrata@kapalua.com and tschnell@pbrhawaii.com.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Subrata" with a stylized flourish.

Paulus Subrata
Vice President

Lahaina Project District 1 (Kapalua)

Overview

Location, Total Area, & Permitted Uses

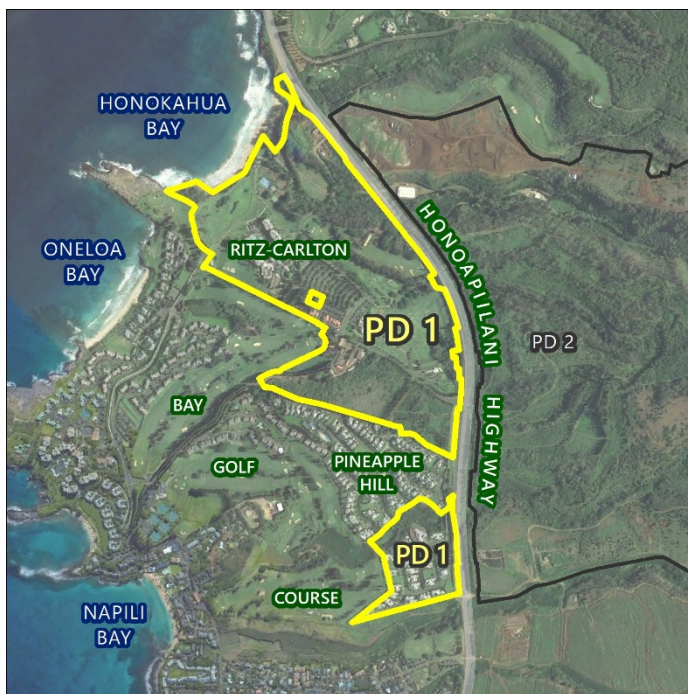
- **Location:** Kapalua, West Maui, makai of Honoapiʻilani Highway
- **Total Area:** 215 acres
- **Permitted Uses:** hotels, multifamily homes, village commercial, parks, facilities preservation/open space
- **Housing Units:** 559
- **Affordable Housing Required:** 25%

Land Use Designations

- **State Land Use:** Urban
- **Maui Island Plan:** Within the Urban Growth Boundary
- **West Maui Community Plan:** Project District 1
- **Zoning:** Lahaina Project District 1 (Kapalua Resort)

Project District 1 Zoning Subdistricts:

- | | |
|---------------------------|------------|
| ◦ Hotel | 30.0 acres |
| ◦ Multifamily | 19.6 acres |
| ◦ Village | 89.4 acres |
| ◦ Park | 39.3 acres |
| ◦ Preservation/Open Space | 13.6 acres |
| ◦ Facilities | 23.2 acres |



Project District 1

Project District 1 Purpose

"To establish a mixture of visitor oriented facilities, including hotel accommodations, single and multifamily residences and supporting commercial services within an open space setting organized around a central village core."

(Chapter 19.73, Maui County Code)

History

- 1982: *Lahaina Community Plan* designated Project District 1 in its current location
- 1989: the Maui County Council approved a Change in Zoning and Project District Phase I for Project District 1
 - Project District 1 is subject to several required agreements (relating to, among other things, affordable housing and park dedication), of which Maui Land & Pineapple Company, Inc. (MLP) has substantially complied
- 1996: *West Maui Community Plan*, retained Project District 1 with no changes in location or area

Current

- Most of Project District 1 has been developed (Ritz Carlton Hotel, Pineapple Hill Estates)
- 46-acre "Central Resort," with Maui Planning Commission approval of a Phase II application and an SMA Use Permit (for 61,000 square feet of commercial space, 126 multifamily units, 10,000 square foot community center and 10,000 square foot administration building), in process of development
- 36-acre "Lot 1-D" in planning and design stage

West Maui Project District 2 (Kapalua Mauka)

Overview

Location, Area, & Dwellings

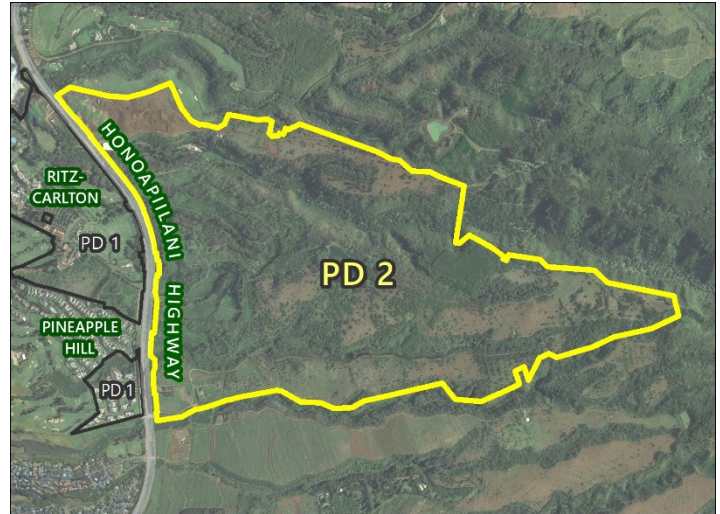
- **Location:** Kapalua, West Maui, mauka of Honoapiʻilani Highway
- **Total Area:** 925 acres
- **Housing Units:** 690
- **Affordable Housing Required:** 25%
125 rental units committed from the Pulelehua project

Land Use Designations

- **State Land Use:**
Urban (650 acres) and Rural (275 acres)
- **Maui Island Plan:**
Within the Urban Growth Boundary
- **West Maui Community Plan:**
Project District 2
- **Zoning:** West Maui Project District 2 (Kapalua Mauka)

Project District 2 Zoning Subdistricts:

- Village District 265 acres (maximum):
 - Residential 260 acres
 - Commercial 5 acres
- Rural Residential District:
 - 275 acres (maximum)
- Golf Course/Park District:
 - 250 acres (maximum)
- Resort Open Space District:
 - 135 acres (minimum)



Project District 2

History

- 1982: *Lahaina Community Plan* designated Project District 2 slightly to the south of the current Project District 2
- 1996: *West Maui Community Plan*, when adopted, designated 450 acres as Project District 2 where much of Project District 2 is now
- 2006: the Maui County Council expanded Project District 2 to its current configuration (925 acres) and reduced the number of residential units from 750 to 690.
 - Project District 2 expansion subject to 13 conditions, which MLP has complied with or is complying with on an ongoing basis
- 2006: Maui Planning Commission approved the Project District Phase II application for Mahana Estates, a 125-acre area of Project District 2
- 2007: Planning Department approved the Project District III application for Mahana Estates

Current

- 125-acre Mahana Estates subdivided into individual lots with all infrastructure in place and some homes built
- Balance of Project District 2 to be developed over next 20 years

Project District 2 Purpose

"To provide for a flexible and creative approach to development that considers physical and environmental factors in a comprehensive manner and that will result in a low-density, primarily residential and recreational development."

(Chapter 19.92, Maui County Code)