

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

March 8, 2019

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

MAUI

Recommendation to the Governor to Accept the Final Environmental Impact Statement
for the Proposed Department of Land and Natural Resources Industrial and Business Park
at Pulehunui, Maui, Tax Map Key (2) 3-8-008:001 (por.).

APPLICANT:

Department of Land and Natural Resources (DLNR), Land Division

LEGAL REFERENCE:

Hawaii Revised Statutes (HRS) Section 343-5 and Hawaii Administrative Rules (HAR)
Section 11-200-23.

LOCATION:

Portion of Government lands situate at Pulehunui, Maui, identified by Tax Map Key (2)
3-8-008:001 (por.) as shown on the map attached as **Exhibit A**.

AREA:

Approximately 280 acres, more or less.

ZONING:

State Land Use District:	Agriculture
County of Maui:	Agricultural

TRUST LAND STATUS:

Section 5(a) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES

CURRENT USE STATUS:

Encumbered by Executive Order 3944 to the State Department of Agriculture for livestock quarantine and staging facility and other related purposes.

CHARACTER OF USE:

Proposed industrial and business park purposes.

DESCRIPTION OF PROJECT:

The Department desires to develop an approximately 280 acre portion of the property identified as Tax Map Key (2) 3-8-008:001 for an industrial and business park. The Department intends to lease a variety of small, medium and large lots to private lessees for the purpose of generating income to support the Department's resource protection programs. The project will also require the provision of necessary infrastructure, including water and wastewater systems. Additionally, internal roadways networks accessed from Maui Veterans Highway, along with bicycle, open space and drainage networks are to be developed. The primary uses of the lots will be for light industrial uses, with limited commercial uses and potential government uses. A conceptual site plan is attached as **Exhibit B**.

The parcel is located on Maui Veterans Highway (formerly Mokulele Highway), approximately 5 miles south of Kahului. The parcel has been historically used for sugar cane cultivation through a lease, then a revocable permit, to Hawaiian Commercial and Sugar Company (HC&S). Upon termination of their sugar cane operations, HC&S sought to terminate the revocable permit and returned management of the parcel back to the Department. Prior to its use for sugar cane cultivation, the parcel and surrounding area was formerly used as both a civilian airfield and by the United States Navy as the site of the former Naval Air Station Puunene. Although the parcel is zoned for agricultural use at both the State and County levels, the project area itself has been included in the Maui Island Plan's Urban Growth Boundary (UGB). Current and future uses in the immediate area include multiple government and private uses, such as Hawaii Army National Guard Armory, the County of Maui Raceway Park, Central Maui Baseyard, the Maui Humane Society, the Pulehunui Industrial Park (currently under construction), the proposed "Pulehunui North" commercial and industrial development by the Department of Hawaiian Homelands, and the proposed Maui Regional Public Safety Complex.

PROPOSED ACTION:

The Department seeks to develop an industrial and business park on State owned land, a use of State land under HRS Section 343-5(a)(1). Ancillary to this project, the Department will seek a District Boundary Amendment from the Land Use Commission from Agriculture to Urban, as well as County Community Plan Amendment and County Change of Zoning from Agricultural to M-1, Light Industrial.

OBJECTIVE OF PROPOSED ACTION:

The project objective is two-fold. The immediate objective is to generate income from the leasing of lots in the project area to support the Department's resource protection programs. Additionally, the project would generate economic development and job opportunities for Maui residents. As the project area has been included in the UGB, this area has been identified for future growth to meet the demand for light industrial space. As the State faces the challenge of funding its priorities with limited resources, it is imperative that the Department take measures to implement projects that offer stable, long term income sources to support its programs.

A market study was conducted for the Final Environmental Impact Statement (FEIS), and is included as Appendix A in Volume II of the FEIS. The market study concluded that there is a demand for light industrial space. Many of the existing light industrial properties on Maui are being purchased in fee by large businesses for commercial use. Additionally, other light industrial facilities are subject to overcrowded conditions. Therefore, the project would offer a ground lease option that is more economically feasible to true light industrial users that have been either priced out of the fee simple market or have outgrown their current locations. Furthermore, long-term market demand for light industrial services is expected to be sustained by future population growth.

FEIS ACCEPTABILITY EVALUATION:

Pursuant to HAR Section 11-200-23(b), a statement shall be deemed to be an acceptable document by the accepting authority or approving agency only if all of the following criteria are satisfied:

- 1) The procedures for assessment, consultation process, review and the preparation and submission of the statement, have all been completed satisfactorily as specified in this chapter;
- 2) The content requirements described in this chapter have been satisfied; and
- 3) Comments submitted during the review process have received responses satisfactory to the accepting authority, or approving agency, and have been incorporated in the statement.

Additionally, pursuant to HAR Section 11-200-23(c), the Governor or an authorized representative shall have the final authority to accept the FEIS for actions proposed by agencies involving state land or funds. In consideration of the scope of this project, staff believed that it is appropriate to have the FEIS reviewed by both the Board and the Governor. Therefore, the Board is requested to approve a recommendation to the Governor to accept the FEIS.

The project EIS published the following public notices in the Hawaii Office of Environmental Quality Control Environmental Notice:

March 8, 2017: EIS Preparation Notice
May 8, 2018: Draft EIS

A community meeting to provide information on the project as well as receive feedback was held on August 16, 2017 at the Kihei Community Center. Additionally, numerous public and private organizations were either consulted in the preparation of, or directly afforded the opportunity to review and provide comment on the EIS. Section X of the FEIS identifies the parties consulted, and contains the comments received from the publication of the draft EIS as well as the responses to the various comments.

From the comments received from the OEQC publications and community engagement, the most significant concerns regarding the project are 1) whether the project was financially feasible, 2) impacts from the project on traffic and view planes and 3) the project contributing to the loss of agricultural lands. The Department believes that the FEIS adequately examines and addresses those concerns. The aforementioned market study and a separate financial feasibility analysis report support the feasibility of the project. The FEIS presents mitigation measures to address the traffic and view plane concerns, such as installing additional lanes and an open space buffer with landscaping along Maui Veterans Highway. Furthermore, the project will implement design guidelines for the development of the individual lots to mitigate impacts to the view plane. In regards to the loss of agricultural lands, it is minimal compared to the total acreage available on Maui. Additionally, the Department believes that it is offset by the opportunity for a long term, stable income source that will be necessary to sustain current and future Department operations.

DISCUSSION:

The FEIS reviewed and evaluated potential impacts from the project, and developed mitigation measures in regards to the physical environment, socio-economic environment, public services, infrastructure and cumulative and secondary impacts. The FEIS also reviewed the project in relationship to the Hawaii state plan, the State land use district, Maui County general plan, Kihei-Makena community plan, Maui County zoning and the Hawaii Coastal Zone Management Program. In addition to the preferred alternative, the FEIS also studied land use plan and land entitlement program alternatives, no action and deferral of action alternative, and water and sewer infrastructure plan alternatives. In addition to the market study, other key studies such as an agricultural impact assessment, view analysis, traffic impact analysis report, financial feasibility analysis, archaeological inventory survey, a cultural impact assessment and a preliminary engineering and drainage report were also completed and included as appendices to the FEIS.

The unavoidable adverse environmental effects would occur in the construction phases of the project. The potential effects would impact noise, air and water quality, as well as traffic from construction related vehicle and equipment transit. These effects would be temporary, and appropriate best management practices would be implemented to mitigate the effects. The FEIS also addresses issues that remain unresolved at this stage of the

project. The outstanding issues are land use entitlements, water and wastewater infrastructure, transportation, noise, air quality, relocation of a State Department of Agriculture livestock quarantine facility and a Maui County Code provision that would require the project to include workforce housing. The Department believes that most of the outstanding issues can be addressed in cooperation with other agencies. To ensure these issues are resolved, the Department will work collaboratively with the appropriate State and County agencies, and return to the Board to seek additional approvals as may be necessary.

In addition to the public comment period required by HRS Chapter 343, this project also requires additional Board approval for the disposition of the land, giving the public additional opportunity to testify on the project in an open, sun-shined meeting. Board members will receive electronic copies of the FEIS for their review. A copy of the complete three volume FEIS can be found at:

VOLUME I: <http://dlnr.hawaii.gov/ld/files/2019/02/Final-EIS-Volume-I-of-III-For-BLNR-Review-Feb-2019.pdf>

VOLUME II: <http://dlnr.hawaii.gov/ld/files/2019/02/Final-EIS-Volume-II-of-III-For-BLNR-Review-Feb-2019.pdf>

VOLUME III: <http://dlnr.hawaii.gov/ld/files/2019/02/Final-EIS-Volume-III-of-III-For-BLNR-Review-Feb-2019.pdf>

RECOMMENDATION: That the Board:

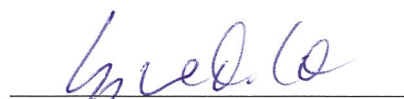
- 1) Recommend that the Governor accept the Final Environmental Impact Statement for the proposed DLNR Industrial and Business Park located at Pulehunui, Maui, Tax Map Key (2) 3-8-008:001 (por.).

Respectfully Submitted



Ian Hirokawa
Special Projects Coordinator

APPROVED FOR SUBMITTAL:


Suzanne D. Case, Chairperson

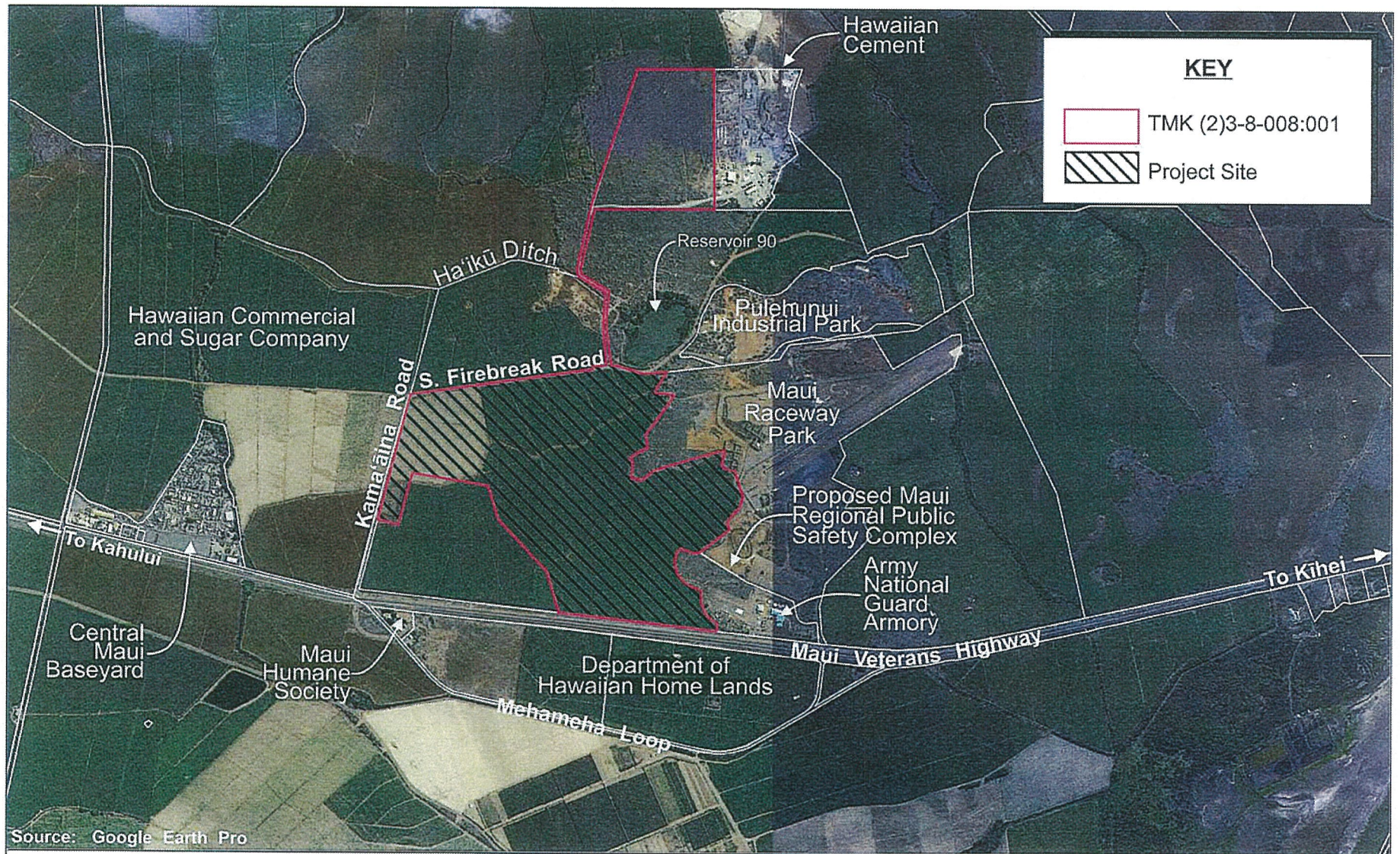
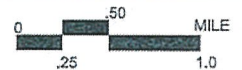


Figure 2 DLNR Industrial and Business Park
Property Location Map



Prepared for: State of Hawai'i, Department of Land and Natural Resources

 MUNEKIYO HIRAGA

EXHIBIT "A"

SOH DLNR/Pulehunui MP EIS 1882/Application/Figures/LocationMap.DEIS

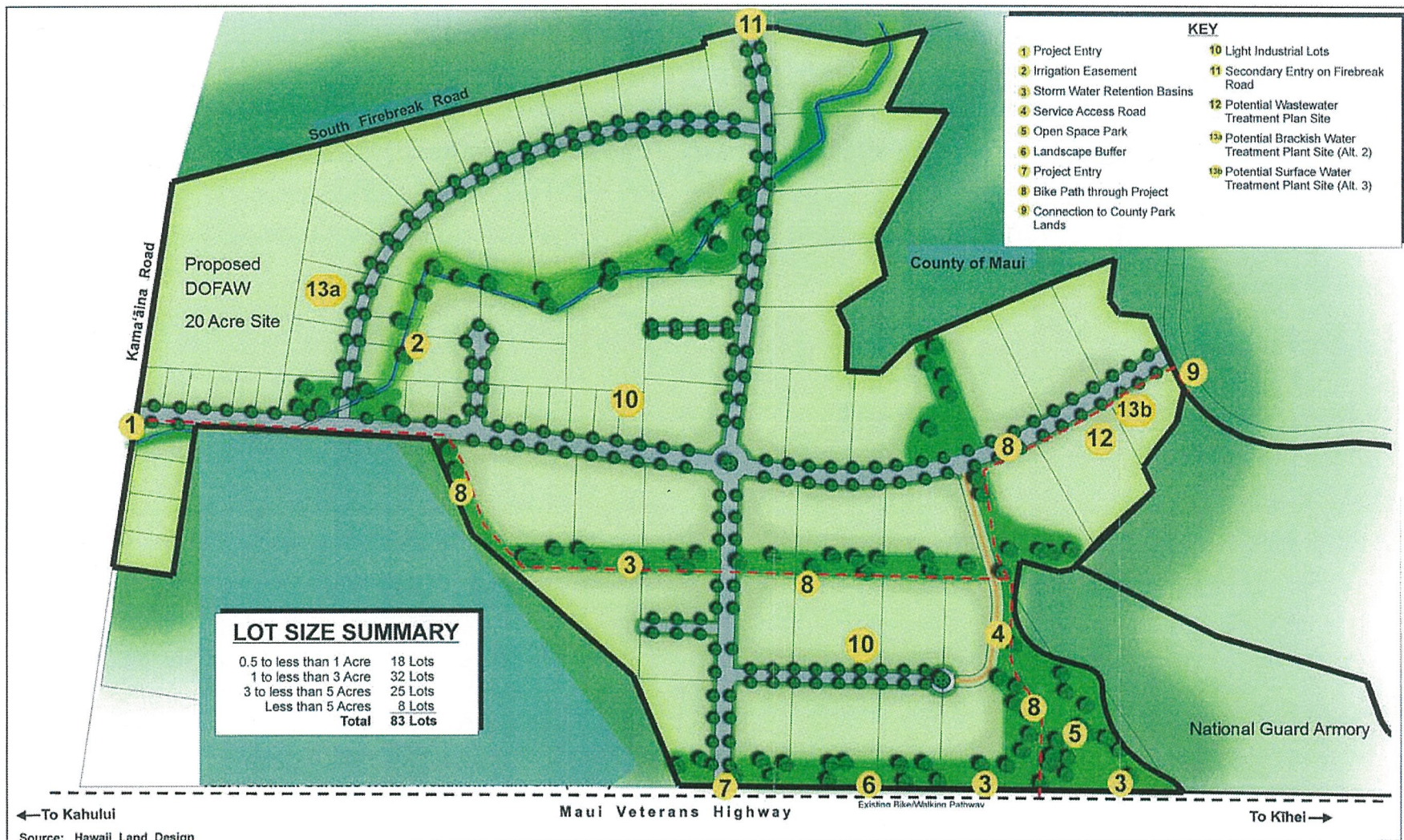


Figure 3

DLNR Industrial and Business Park Conceptual Site Plan

NOT TO SCALE



Prepared for: State of Hawai'i, Department of Land and Natural Resources

MUNEKIYO HIRAGA

SCM DLNR/Plumhuri NIP EIS 1992/Appendix Figures/044Plan.DCS

EXHIBIT "B"