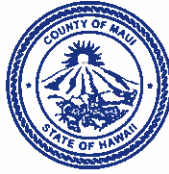


ALAN M. ARAKAWA
Mayor

WILLIAM R. SPENCE
Director

MICHELE CHOUTEAU McLEAN
Deputy Director



COUNTY OF MAUI
DEPARTMENT OF PLANNING

April 17, 2012

Mr. William Frampton, Olowalu Town, LLC
Ms. Heidi Bigelow, Olowalu Ekolu, LLC
2035 Main Street, Suite 1
Wailuku, Hawaii 96793

Dear Mr. Frampton and Ms. Bigelow:

SUBJECT: COMMENTS REGARDING THE DRAFT ENVIRONMENTAL IMPACT STATEMENT (EIS) FOR THE PROPOSED OLOWALU TOWN MASTER PLAN, OLOWALU, MAUI, HAWAII; TMK(S): (2) 4-8-003:084, 098-118, AND 124 (EAC 2012/0002)

The Department of Planning (Department) has the following comments in regards to your letter dated March 6, 2012 requesting comments on the Draft EIS.

The Department understands the proposed action includes the following:

- A State District Boundary Amendment (DBA) from Agriculture to Urban and Rural for approximately 460 acres; we note that the Environmental Impact Statement Preparation Notice (EISPN) proposed approximately 320 acres of land;
- The amendment would provide for the development of the Olowalu Town project on approximately 636 acres which is now proposed to be phased over a period of approximately ten (10) years; we note that the EISPN proposed a 30-year period; and
- The Olowalu Town project would include approximately 1,500 residential units, commercial and civic uses, parks and recreation sites, a cultural preserve, agricultural uses, a private domestic water system, a private wastewater system, and the relocation of Honoapi'ilani Highway.

Based on the foregoing, the Department provides the following comments on the Draft EIS:

1. If the Maui Island Plan is adopted prior to the submittal of the Final EIS, then include in the Final EIS an analysis of how the proposed project complies with the Maui Island Plan;
2. On pages 24, 160, 165, and 167 (and possibly other pages within the document) - It is stated that both the General Plan Advisory Committee (GPAC) and the Maui Planning Commission (Commission) recommended that the Master Plan be included in the Maui Island Plan's (MIP) growth boundaries. However, more complete information is warranted. Although the GPAC and Commission approved the inclusion of the Master Plan (as proposed) in a growth boundary, the Commission did not support any development makai of the existing Honoapi'ilani Highway.

Furthermore, whenever this information is mentioned in the Draft EIS, the fact that the Department did not support the inclusion of the Master Plan in a growth boundary should also be stated. We note that the Department's recommendation to Council to not include this Master Plan in a growth boundary is mentioned on page 176;

3. On page 23 - It is represented that the GPAC and Commission recommended inclusion in the MIP to "meet this estimated housing need". This is again not a completely accurate statement. The proposed directed growth areas proposed by the Department, without the inclusion of this project, meet 116 percent (4,024 units proposed, 3,456 needed) of the demand for the West Maui area. The inclusion of the Master Plan by both the GPAC and Commission would further exceed the projected housing demand. Please restate this information to reflect that the project will *exceed* the Department's estimated housing need and provide a rationale for exceeding the demand;
4. On page 27 - Please justify how this project, located four miles away from the edge of Lahaina, meets "Smart Location" for LEED Neighborhood Development standards. Specifically, "Smart Location" intent, "encourage(s) development within and near existing community and public transit infrastructure." Furthermore, requirements for all projects are to, "Either (a) locate the project on a site served by existing water and wastewater infrastructure or (b) locate the project within a legally adopted, publicly owned, planned water and wastewater service area, and provide new water and wastewater infrastructure for the project." The requirements further state that the project shall either be, "on an infill site", or "on site adjacent" (a site that is adjacent to previously developed lands);
5. Pages 33-38 - As stated by the Department in the EISPN comment letter dated August 6, 2010, obtain a Zoning and Flood Confirmation Form for all parcels within the entire Olowalu Town Master Plan project area. Please include a zoning map as an exhibit. Please also include in Table 5 the area for each Tax Map Key (TMK); the area that will need state land use reclassification within each TMK and what reclassification is needed (Urban or Rural);
6. On page 41 (and within other portions of the Draft EIS) - Olowalu is referred to as having been a "thriving plantation town" (e.g., "As recently as the 1930's, Olowalu was a thriving plantation town"). Throughout its history, Olowalu was a "camp" and at most a "village". Its plantation-era population was recorded as being "less than 500" persons. In 1899, on the eve of annexation, T.G. Thrum described the population at Olowalu in detail and noted that there were 167 persons residing there. They included 145 men, 22 women, and no children (Table of Sugar Plantation Laborers, October 31, 1899; Hawaiian Almanac and Annual, Thrum, 1899:176). In 1930, census-taker Kenichi Takayama recorded the population at Olowalu as being 447 persons. They consisted of 237 men, 79 women, and 131 children (Fifteenth Census of the United States, "Olowalu Village," Sheets 116-120A, April 1-11, 1930).

We have extensive information about West Maui's camps, villages, and towns, including Lahaina, Olowalu, Puukolii, and Ukumehame if you would like further clarification.

Given the available information, including census data, as well as Olowalu Company (OCo) and Pioneer Mill Company (PMCo) period documents, please change the references to the historical enclave of Olowalu from "Olowalu Town" to "Olowalu Camp" or "Olowalu Village" throughout the Draft EIS.

7. On page 49 – Figure 10 – This figure indicates that the majority – 80 percent - of the Master Plan Site Area has 'A' and 'B' classified soils, while about 19 percent of the site is of the lowest, least productive classification 'E'. It is noted that this area where the least productive AG soil exists is the area surrounding the Olowalu Stream – the precise area where the Master Plan proposes to retain as AG land within the Olowalu Cultural Reserve. Please explain why the area with the least productive AG soil is being retained as AG while the most productive AG soil areas would be rezoned;
8. Pages 32-55 – Given the State's desire to improve and increase the long-term sustainability of Hawaii's economy, the Draft EIS inadequately justifies the removal of 621 acres of agricultural land, including 121 acres of Prime Agricultural Land. The Final EIS should more carefully examine the loss of this particularly valuable prime and other important agricultural land with excellent soil characteristics. Suggesting that these 621 acres are a small percent of Maui's Agricultural lands neglects the fact that these are prime lands that demand special protection.

In addition, the Applicant should also make reference to Hawaii Revised Statutes (HRS) Ch. 226-13 regarding objectives and policies for the physical environment – land, air and water quality; and HRS Ch. 226-104 (b).1 through 5 – regarding priority guidelines for growth and land resources when discussing the redesignation of prime AG lands. Please explain how developing AG land, including Prime AG land, fits with these State policies.
9. On pages 55 and 66 - "BMPs will be implemented both prior to and during grading and construction to minimize opportunities for soil erosion; Olowalu Stream will not be altered during implementation of the Master Plan". Generally stating that BMPs will be implemented is vague. Please provide a detailed plan for how grading and construction activities will not adversely impact Olowalu Stream or the associated tributaries;
10. On page 60 - Please explain and justify why the proposed project, with some high-density areas, should be created in a known tsunami and flood hazard area;
11. On pages 60, 100, 102, 159, 218, and 220 (and possibly other pages within the Draft EIS) - There is a reference that the Applicant will adhere to a 50' or 150' setback along the shoreline. It should be noted that this is already a pre-existing condition for the area (shoreline) based on previous SMA approvals. It is noted that this

information regarding these existing conditions is finally presented on page 222 of the document. Please restate or reword this information on previous pages to accurately reflect existing conditions;

12. On page 62 - It is stated that there was evidence that Nene were present during the flora and fauna study. Additionally, it is noted that water features or temporarily irrigated areas may attract more Nene. There is no mention of incidental take or cooperation with the United State Fish and Wildlife Services (USFWS) under the Endangered Species Act. Please address this concern and what steps will be taken to address the protection of this endangered species;
13. On page 67 – Over the course of the GPAC and Commission review of the MIP, the Department received hours of oral testimony relating to the Master Plan. One (1) of the most frequent concerns discussed was for the coral reef health and nearshore water quality. A baseline study published in 2003, prior to upland development in the area, categorized the reef as “the best leeward reef in Maui and probably the whole state.” The recommendation of the report was that continued monitoring was necessary to determine the specified stressors that cause reef decline. “Monitoring reefs to develop indices of reef ‘health’, examining human impacts and placement of artificial reefs to reduce stress on natural reefs will provide tools for more effective management of tropical ecosystems. This work takes on particular relevance within boundary waters of the Hawaiian Islands Humpback Whale National Marine Sanctuary and as nearshore development encroaches upon the marine habitat” (Brown, et al). Please clarify if there will be additional plans for monitoring programs and analysis to mitigate impacts to nearshore water quality and coral reef health;
14. On pages 41, 72 -73 (and possibly other pages within the Draft EIS) - “In 1831, missionaries estimated 831 Hawaiians lived at Olowalu. Based [up] on the 1831 population, it is estimated that 2,000 or more Hawaiians resided at Olowalu before Western contact.” Please explain or provide a reference for this estimate;
15. On page 74 – “By 1878...the continuing decline in the number of Hawaiians...compelled Olowalu Plantation to hire Chinese workers.” The correct company name would be West Maui Plantation (1871-1881) (Olowalu Company was not established until 1881. (See Dorrance and Morgan, Sugar Islands, 2000:60-61, 64; and “Historic Context” in Wo Hing Society, Lāhainā, Maui. Yip and Solamillo, 2009:8). Please revise;
16. On page 75 – “In early 1931, Olowalu Company was sold to American Factors, Ltd...” PMCo acquired OCo for \$400,000.00 in May 1931 and the latter was dis-incorporated on December 31 of that year (*Annual report of the Pioneer Mill Company, Limited for the Year Ending December 31, 1931:4, 15*). Please revise and incorporate;

17. On page 75- "(Ainsworth)" as a citation. In order to meet standard reference requirements, one (1) must include author, followed by year, and page number. In addition, there are ten (10) pages of text that include quotes without citations. Please revise and add citations per examples included in these comments;
18. On page 112 – "The irrigation system in Olowalu is quite dated, with portions of it built in the late 19th and early 20th centuries..." The history of water development by OCo/PMCo is not included in a historical context and the infrastructure is not delineated on any map or graphic. Given its age and associations, the infrastructure may be eligible for listing in the National Register of Historic Places and may have an adverse impact on this resource, which will have to be mitigated before improvements and a new water development program are implemented. Please add a section on the history of OCo/PMCo water development and associated cultural resources, as well as potential impacts and mitigation measures proposed for consideration. These will have to be submitted to State Historic Preservation Division (SHPD) for review, concurrence, and approval;
19. On page 114 – "In 1876 two Maui residents started the Olowalu Plantation..." Please clarify and cite the dates and persons named in the Draft EIS for consistency throughout the document;
20. On pages 115 and 116 – There is little or no historical information provided for the years spanning 1932-1962, which is required to fully document the fifty-year terminus for the Period of Significance, and little information on what transpired through 1990. Please include and revise text accordingly;
21. On page 128 - Although the information provided on the Socio-Economic housing demand forecast is correct, please also include that the need for housing in West Maui to be only 3,456 additional units by the year 2030, beyond those lands already entitled. Please also include new information that this number is now further reduced to 2,574 units (or 2,307 units if 267 ohana units are also built) with the inclusion of entitled lands at Pulelehua;
22. On pages 129-154 – The Draft EIS superficially discusses the likely impacts to public services and infrastructure that will result from the project. In most cases the Draft EIS merely states that the services (*e.g.*, police, emergency response, solid waste) will be provided in West Maui or even more remotely, in the Wailuku/Kahului area.

The Final EIS must include a more meaningful discussion of the impact of providing public services to the proposed new community, particularly since many of those services are located several miles away and/or would have to be expanded to meet these new demands. It is insufficient to merely state that the hospital or police facilities are located a certain distance from Olowalu, or that a fire station site will be discussed for possible inclusion in the public/quasi-public area. The Final EIS should provide qualification of the anticipated impacts to these public services, similar to how traffic impacts and educational impacts are qualified by the number of trips or number of students that the project will generate. For example, the Final EIS

could indicate how many additional police, fire, emergency response and solid waste personnel and vehicles would be needed to maintain their current level of service in the region. If the Final EIS were to also include estimated costs for the provision of these expanded services, it could also estimate the Real Property Tax revenue that the project would generate and that could serve to offset some of these costs.

23. On pages 134-136 – The Draft EIS estimates 462 new students, from elementary to high school. As part of this discussion, the Olowalu Town Master Plan states that (p.135) a 10-15 acre site for an educational facility will be provided. Please indicate whether this site will conform to Department of Education (DOE) standards for Elementary, Middle, and High School locations. Please also provide information on what DOE standards and 'warrants' are for new school construction, for example, whether the new school-age child population anticipated at Olowalu will include enough children to warrant the construction of a new elementary, middle and/or high school within the Olowalu Town Master Plan.

Furthermore, traffic Impacts of children commuting off-site to attend school indicates that there will be 462 new students within Olowalu; unless a school facility is built within the Olowalu Town, these students will all have to travel off-site to attend school. Please provide a discussion of the traffic impacts to Honoapi'ilani Highway – north and south of Olowalu Town – as a result of 462 students traveling to school(s) located in Lahaina or elsewhere.

24. On page 137 – Please clarify if the recreational activities and parks proposed for the master plan will be private or public;
25. On page 140 - Please expand your analysis to include the impact to visitors and residents who commute and use Honoapi'ilani Highway, both north (to Puamana) and south (to Maalaea) of the project, when the highway in these areas will remain at one (1) lane in each direction. We note that the highway will continue to operate at a level of service of E and F, as indicated in other traffic reports received by the Department. Further, the statement, "It is estimated that the level of service of the highway will be "C" or better" should be clarified that this prediction is only for the section of the highway being relocated, and not for the length of the entire highway (specifically from Maalaea to Lahaina). Impacts and mitigation for traffic impacts to Honoapi'ilani Highway, between Maalaea and Lahaina, should be evaluated;
26. On page 161 (and other pages within the Draft EIS) - It is repeatedly stated that the Master Plan is consistent with the County's Pali to Puamana Parkway Master Plan. However, this is misleading as the County's plan does not propose any additional development (e.g., urban uses) makai of the existing highway; does not comport exactly as depicted in the Master Plan; and did not include the many acres of development located mauka of the existing highway. Furthermore, as mentioned on pages 166 and 167, to compare the 28 acres of proposed park in the Pali to Puamana Parkway Master Plan to the 223 acres of green space in the entire proposed Olowalu Master Plan is apples-to-oranges and should be modified to reflect that the plans do not encompass the same project area;

27. On page 166 – Although the Hawaii Department of Transportation (HDOT) has begun the initial stages of drafting an EIS for the relocation of Honoapi'ilani Highway (from Maalaea to Launiupoko), the effort has been on-going and tedious. The Applicant's language in this section gives the impression that the project is underway; however, the Draft EIS has yet to be finished and there has been no planning or funding secured for the project. Please verify with HDOT, and include information in this section on the status of the project and its estimated timeline;
28. On pages 165-169 – The Department notes that the project is located several miles from major regional activity centers on the island, including Maui's larger employment centers. Further, the Draft EIS does not clearly address the level of public infrastructure, services and facilities needed to support the project. Without this information being provided, the projects potential impacts upon public services, facilities and resources cannot be clearly determined;
29. There are a number of references made throughout the Draft EIS that refer to incorrect Table numbers. The Department suggests that a thorough review of any reference to a Table be made for the entire document (e.g., on pages 210 and 211, Table 6 is referenced for land use designations. Table 6, however, is the "Master Plan Preliminary Implementation Time Schedule");
30. Please include a map of the Draft Flood Insurance Rate Map (FIRM) and provide an analysis between the current map and the proposed Draft FIRM and its impact on the Master Plan;
31. Please provide a map of the tsunami inundation zone;
32. Appendix J: View Analysis. As stated by the Department in the EISPN comment letter dated August 6, 2010, please provide computer generated photos of the area with the proposed development. The Draft EIS should provide a more detailed written analysis of the affect of 1,500 residences, 375,000 square feet of commercial space, and public facilities on existing scenic resources. This analysis should include 'Photoshop' and/or SketchUp model renderings of the primary view corridors through the site with building envelopes of Olowalu Town mocked up as it would be completely built out. Photographs 1 – 6 especially should provide both 'before' and 'after' images of the scenic resources, i.e., as they exist at present (before) and as they will be impacted with the addition of Olowalu Town development (after);
33. Appendix K - The consultant for the Market Study bases their assertion that all 1,500 units at Olowalu would be absorbed by the real estate market in eight (8) to ten (10) years on the assumption that future development projects that are within the Maui Island Plan's Directed Growth boundaries could meet with community resistance or financial difficulties, and not be built, thus leaving room for Olowalu's units to be absorbed in the market (page iii). The Draft Maui Island Plan already includes a surplus of dwelling units in the West Maui Community Plan area. Please provide an analysis of market absorption that does not rely on other projects not being constructed – that is, what would be the market absorption rate if all approved future

projects within the current growth area boundaries are built and entered into the West Maui real estate market;

34. Appendix L – This assessment neglects to account for numerous CIP and operational expenditures that will be necessitated by the Olowalu Town project, and it overestimates government revenues.

Missing from the calculations are the County's costs to provide the following services: police, fire, civil defense, housing and human concerns, solid waste, public works, development services, and planning. Notably lacking was the cost of providing facilities and vehicles (fire, police, solid waste) that would be needed to serve these 4,000+ residents and 1,500 homes.

Similarly, there is an underestimate of the costs to provide many additional State services for the 4,000+ new residents. These range from schools, medical facilities, prisons and highways, and the maintenance of these and many other CIP projects. Just as the costs to government were underestimated, projected County and State revenues have been overestimated. The Final EIS should correct these calculations and present an accurate projection of the economic costs and realistic potential revenues to Maui County and to the State of Hawaii.

35. The Countywide Policy Plan and West Maui Community Plan objectives and policies - The Department notes that the Applicant did not adequately address or respond to many relevant objectives and policies contained within these documents that appear to be in conflict with the Master Plan. The Department asks that the Applicant further expand its analysis on those policies and objectives discussed and include others that were completely omitted from the Draft EIS; and
36. The following are general comments and recommendations are provided regarding Cultural Resources:

Olowalu Draft EIS Vol II Appendices, "Pu'u honua: The Legacy of Olowalu" and "Archaeological Literature Review" are both well-researched and well-written documents. The latter report in particular presents data in formats which benefit both the professional and the layperson and establishes new thresholds for the use of applied GIS and data collection. In addition, the recommendations that are included are consistent with Cultural Resource Management best practices and for that reason, provide an excellent example on how to integrate new development with cultural resource preservation.

However, one important recommendation for the Olowalu Cultural Reserve (OCR) remains absent and should be included: a multi-property nomination to the Hawai'i and National Registers of Historic Places for all sites contained in the OCR as well as sites identified along the shoreline. Please include.

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In addition, given the quality of the Draft EIS appendices, it is problematic that the historical information presented in Olowalu Draft EIS, Vol. I includes a number of errors and inconsistencies. The historical narrative found on the Applicant's website "Olowalu Town," written by Gail Ainsworth, is well-written and contains much important information. Aside from an absence of sources and references, Ms. Ainsworth's complete text should have been incorporated into Vol. I or, at minimum, should have been provided as an appendix in Vol. II, with references added as either footnotes or endnotes. Time constraints do not allow a more in-depth review of the material; however, some of the most obvious errors in the narrative have been provided in this comment letter for revision and or correction. Please add Ms. Ainsworth's text as an appendix to Vol. II.

Thank you for the opportunity to comment. If you require further clarification, please contact Staff Planner Kathleen Ross Aoki at kathleen.aoki@mauicounty.gov or at (808) 270-5529.

Sincerely,



WILLIAM SPENCE
Planning Director

xc: Clayton I. Yoshida, AICP, Planning Program Administrator (PDF)
John F. Summers, Planning Program Administrator (PDF)
Kathleen Ross Aoki, Staff Planner (PDF)
David Yamashita, Long Range Division Planner Supervisor (PDF)
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Colleen Suyama, Munekiyo & Hiraga, Inc.
EAC File
General File

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