

**LANA'I PLANNING COMMISSION
REGULAR MEETING
JUNE 21, 2017**

APPROVED 10-04-2017

A. CALL TO ORDER

The regular meeting of the Lana'i Planning Commission (Commission) was called to order by Chair Kelli Gima at approximately 5:03 p.m., Wednesday, June 21, 2017, in the Lana'i Senior Center, Lana'i City, Hawaii.

A quorum of the Commission was present (See Record of Attendance).

Ms. Kelli Gima: Good everyone. We're going to go ahead and get started. It is now 5:03 p.m. It's June 21st, 2017, and this is the Lanai Planning Commission meeting. And I will make note that we do have quorum tonight. We're going to start off with public testimony. If there has been anybody that signed up that wants to give it now. And then we'll also have time throughout the evening to give public testimony again. Okay, Mr. McOmber, come on up and get a microphone please.

B. PUBLIC TESTIMONY - At the discretion of the Chair, public testimony may also be taken when each agenda item is discussed, except for contested cases under Chapter 91, HRS. Individuals who cannot be present when the agenda item is discussed may testify at the beginning of the meeting instead and will not be allowed to testify again when the agenda item is discussed unless new or additional information will be offered.

Mr. Ron McOmber: Good evening members, Chair and members of the Planning Commission. My sole purpose tonight is voting in opposition to this, you know, this outrageous thing that they're doing at Koele. I cannot understand for the life of me why they want to destroy that area up there. In talking to the homeowners that have bought property up there, they're selling their condos as fast as they can. They're getting out from underneath. I mean, my information tells me that Ellison is buying them up. They moved in there with the idea they were going to have a golf course, and they were going to have a good life in their retirement. Obviously that's come to screeching halt. This \$75 million that they're going to spend, quote on quote, is outrageous. You know, I don't care if it's \$100 million. Where is our affordable housing project? Where are we getting housing for the people of Lanai? We cannot get housing. We can't even get \$4 million from the County to do infrastructure, but yet we're going to sit here and give them permission to, to expand Koele, ruin probably one of the most sacred spots on the island, and turn it into a circus. I am totally dismayed by this. I cannot understand why we can even allow this to happen. So as you go through the process, ask the questions, get the commitment from them, because if we don't get the commitment from them it's going to be the same as all of the other projects. I, I -- I don't know what to say. When I heard that they were going -- what they're going to do. Now I hear from somebody they're going to put a fake river. They're going to do a, you know --. I don't think they know what they're going to do. And, and, the people of Lanai need to speak up about this. They need to say something, all of you. So on behalf of

myself, Lanaians for Sensible Growth, and anybody else connected with fair play, hold their feet to the fire. Do not, do not give them this without some insurance that we're going to have some support on affordable housing, and whatever else we need to do for the community. This is not for the community. It's for them.

Look at what they did with the sod farm. They spent millions of dollars on the sod farm. Water, fertilizer, land, and they, they just poisoned it and killed it, out of just for no reason whatsoever except just they didn't want to deal with it anymore. I, I, I don't know how to say it. I don't understand how people can do that, but they are totally stripping Lanai of its, of its past and its future. So as you guys go through this, please, please hold their feet to the fire, and make them accountable for what they say they're going to do. Thank you very much.

Ms. Gima: Okay, thank you. Anyone else wishing to give public testimony at this time? Again, we will have other opportunities. Come on up to the microphone please.

Ms. Winifred Basques: Good evening. My name is Winifred Basques. I've been on this island 54 years, okay. It has seen a lot of changes. Talk about Koele, that was the ranch. People used to live there before, okay, go way back to the kupuna days in 1700's, 1800's. Now days when I went to look at that exhibit at the union hall I had to say it's ridiculous. Who is going to spend money to come ova here for one spa, and who is going pay for that price? I asked the lady, Kristine, and she was in charge of the spa area, so did they bring the dollar sign up? Did they bring the --? No. It's still in remission, and it's still going on progress. When you look at this kind stuff, yeah maybe, but not for the local people. It's for the high maka maka people. The high maka maka is the one that get the . . . (inaudible) . . ., you know, the kala. Local people don't have that kind money to go up there.

To service these people, Ron says where is the affordable homes? We need them. Plain and simple, we need that. You have to do something about it. If not, do I have to go to the Capitol and lobby again? With the Senators and Legislators? Which my friends are. You know, think about it, I've been on this island 54 years. Comes and go. People coming in, going out. Sometimes people who come here for work, they do not last too long. You see the containers going out, the new containers coming in. And the people who lives here need to have homes to rent out. They ain't got chance. There's no chance in hell, excuse the word I'm going to say, I going tell from inside here, but Ke ako is watching you folks to do what is right for the people. Mahalo ke akua. Thank you.

Ms. Gima: Thank you very much. Anyone else? Alright, we're going to go ahead and close public testimony, and again, we'll reopen through the evening. We'll move on to Item C, which is the approval of the minutes of the April 19th, 2017 meeting. Commissioners?

C. APPROVAL OF THE MINUTES OF THE APRIL 19, 2017 MEETING

Ms. Caron Green: I will move to approve the minutes as written.

Mr. Bradford Oshiro: Second.

Ms. Gima: So it's been moved by Caron, second by Brad, to approve the April 19th, 2017 meeting minutes. Commissioners, any discussion? All in favor of the motion, raise your hand. Okay, so that's unanimous. No one's opposing, that passes.

It was moved by Ms. Caron Green, seconded by Mr. Bradford Oshiro, then unanimously

VOTED: to approve the April 19, 2017 meeting minutes as written.
(Assenting: J. Dela Cruz, C. Green, M. Martin, B Oshiro, S. Samonte)
(Excused: M. Badillo, M. Baltero, B. Zigmond)

D. ORIENTATION WORKSHOP NO. 2

- 1. Bed and Breakfast Homes and Short-Term Rental Homes (uncompleted portion from April 19, 2017 meeting.)**
- 2. Special Management Area Rules**
- 3. Shoreline Area Rules**
- 4. Plan Implementation Division**

Ms. Gima: Alright, let's move on to Item D, which is the orientation workshop no. 2.

Mr. Clayton Yoshida: Good evening, Madame Chair and members of the Lanai Planning Commission. Clayton Yoshida with the Planning Department. With me tonight are Leilani Ramoran-Quemado, your commission secretary; Kathleen Aoki, our chief of the Plan Implementation Division, of the Planning Department; and Jim Buika, one of our shoreline planners. Richelle Thomson, your Deputy Corporation Counsel, is available, on-call should you have any legal questions. There is a special Council Economic Development Committee meeting early tomorrow at nine o'clock regarding sand mining in Maui County so Richelle staff's that committee.

If you don't mind, Madame Chair and members of the Commission, since I'm here often attending the Planning Commission meetings, and we have some of our staff who are here specifically for, to provide the training, I would move Item D2, Special Management Area Rules, and your Shoreline Area Rules, and the Plan Implementation Division presentations up, and because the Lodge at Koele, Phase 2, Project District application will be before the Commission next month. I think it is important for the workshop on the proposed improvements by Pulama, and having the Commission and the public -- having the Commission be able to ask their questions and the public be able to testify on that. So we could do the -- if there is time -- we could do the bed and breakfast homes and short-term

rental homes after all of that. So, having said all of that, we would like to move forward with Item D2, the Special Management Area Rules, and doing the presentation is Jim Buika, shoreline planner.

Mr. Oshiro: The short-term rentals, it says something like, it says about two or more rentals, two or more rentals in a 500-foot radius. Okay, when you said two or more, if there's two, one not going be approved?

Mr. Yoshida: No, that's a trigger for Planning Commission review. See, with the short-term rentals, it's largely an administrative permit unless --

Mr. Oshiro: Okay, wait, wait, wait right there. Because I noticed that on Mahana and Fifth Street, there's two of 'em, back to back, and there's nothing out on it, and it, it was approved.

Mr. Yoshida: Yeah, I mean, two can be located -- I mean, two can be approved administratively. If there's a third one, if somebody else comes in for a short-term rental home permit, within a 500-foot radius, then that application will have to go before the Planning Commission.

Mr. Oshiro: Okay. The other question. 15 to 30% disgruntle people put in a letter, does the Planning Commission, Planning over there on Maui even look at the letters?

Mr. Yoshida: Well, another trigger is if, you know, 30% of the property owners within a 500-foot radius are in opposition, and they file their opposition within 45-days after the applicant sends out a notice of application to the property owners, that --. If 30% or more of the property owners within a 500-foot radius are in protest, then that's a trigger, another trigger for that application to come before the Planning Commission as opposed to being approved administratively.

Ms. Gima: So Clayton, I know we're going to move things around a little bit with the orientation workshop, but if we have time we'll go over the bed and breakfast, short-term rental homes part. And then if we run out of time we can do that next month, but Commissioners, remember that, if you look on the agenda at Item G, Director's Report, I had requested to get the status of our recommendations to County Council regarding the bed and breakfast and short-term rentals, so we can have that discussion at that time as well. Brad, you good? Okay, alright, thank you.

Mr. Yoshida: I'll turn it over to Jim Buika.

Ms. Gima: Okay.

Mr. Jim Buika: Thank you Chair. Thank you Clayton. Maybe I'll stand here, I can see the

slides and speak to everyone with them in front of me. My name is Jim Buika. I'm from the Planning Department. I'm a, the -- a member of the team of the shoreline team of our coastal zone team. There are four of us in the Maui Planning Department. And I didn't come last year to do the training, but I have done it in the past on Lanai, and today. I've been in the Planning Department for 10 years. I have been working with Hawaii for 25 years. I worked with the Federal Emergency Management Agency (FEMA) in San Francisco. I worked in the Pacific Disaster Center in Kihei, so I worked various hazard mitigation mostly type of projects for the last 25 years, earthquake, tsunami, typhoon types of programs. I married a Samoan lady on a disaster in 1990 in Samoa, and so as I tell my, you know, my, my three girls, you know, they wouldn't be here if the wind didn't blow in Samoa, so let's hope it doesn't happen here to us. Anyway, that's a little bit of my background. I have four or five business cards. I think I handed it out to everyone here. And I did, we printed, Leilani and I printed, I think, there were 15 copies. We handed out. I have a hard copy presentation if any of you in the audience, if there are any extras, they're over there, so if any of you are interested in grabbing one.

So, it's a short outline. I'm talk about the State Law, which is the Coastal Zone Management Act, and then the Special Management Area Rules, and the Shoreline Setback Rules for Lanai tonight, very quickly to give you an idea.

So again, I'll talk about our Hawaii Revised Statute 205A, Coastal Zone Management Act at the beginning that authorizes both the Special Management Area Rules for Lanai Planning Commission, and also your Shoreline Setback Rules and Regulations for the Lanai Planning Commission. And then some concluding remarks, and hopefully there will be time for a little question and answer.

So beginning with the Coastal Zone Management Act, it was enacted in 1977, and codified, approved here, in Hawaii, in 1978, so we're almost 40-years into the law. And it is the State's resource management policy umbrella. What I mean by that, it is really our environmental law for, for you as planning commissioners and, and in the islands. So, and it manages all of the islands, including Lanai, and it authorizes, at the State level, it authorizes home rule. So it authorizes commissions at this level to make decisions and review projects from an environmental point of view.

So again that's exactly what I said. So the Coastal Zone Management Act authorizes the Counties to develop and administer Special Management Area, or SMA, Rules and Shoreline Rules. So under our Maui County Charter, Section 8-8.4, designates the Planning Commissions, on all three of our Maui County islands including Lanai, as the authority in all matters relating to the Coastal Zone Management law for their islands. So it doesn't go to County Council. It doesn't go anywhere else. The buck stops here when we're talking in terms of the SMA. So you are the deciding authority for, within the SMA, which is not very large on Lanai and we'll get into that. So you can see the flow diagram there from the State to the County Charter to your Commission here. So, that's what we'll

cover.

So we're talking about the Special Management Area. What is this area? Well, it's pretty much --. In 1978, they decided to make it like the coast -- all the land makai of the coastal highway. So you know where your coastal highway is. I mean, you just have one here. And I have just a little bit more of a --. So the SMA boundary, a little bit in Manele Bay and around the island so it's a very, very thin ribbon around the island here, and we'll talk about that a little more. Here's down where -- we are here. You can see, let's see, a little bit. You see the yellow? Just a little bit of yellow, so it's down by the bay and then it's everything makai of the coastal highway. And just one more picture on the other side, pretty much, not much, so --. Any development in that area, and I think that's why the commission had, is interested in looking at changing the boundary of the Special Management Area, and that's, I think, that's on the agenda today.

So on Maui Island, Molokai, it's more significant because we have a larger area, the Special Management Area. Wider area is what I mean. So that's it. So looking at your guys' relationship to, like, the, the, the planning framework in the State, Coastal Zone Management and Special Management Area are part of the State and County planning framework, or the State Constitution. You can see, I started talking about the Coastal Zone Management Area, it is under the State Constitution with our zoning regulations, land use, and our planning. So you can see here the LPC, Lanai Planning Commission, manages the Special Management Area and the Shoreline Rules under the Coastal Zone Management area. I, I correlated the County color here with zoning and our, and some parts of our planning. And then a lot of it still is managed by the State. All the gray is managed at the State level. So that's our planning organization is set up, and that's -- you have a diagram of that there. So we'll look at your roles here a little bit.

So when we talk about these Special Management Area rules, the goal in -- the language in your rules are and they are rules that go with this -- the goal of the Special Management Area rules is to further the policy of the State through this Coastal Zone Management Program to preserve, protect, and where possible, restore the natural resources of the coastal zone. Okay. So it's been in place for 40-years. The idea is a new development would begin happening, more and more towards the coastal zone, let's preserve the coastal zone. So let's set up some rules and regulations that will help us preserve the coastal zone environment as much as possible. So, again, to preserve, protect and where possible, restore natural resources of the coastal zone. And I'll just show you these pictures from Charlie Young Beach in, in Maui. This, we've done -- like so this is restoring some of it here. I have a lot more pictures, but just quick, so you can kind of see. What we did is we had a big project where we removed, we removed about 150 feet of encroaching vegetation on Charlie Young Beach on Kihei side. Some of you know where that is. And we tripled the width of the beach because the homeowners had encroached with vegetation and took up a big chunk of the beach so that's one example of a project where we're actually restoring some of the beach.

So it is, you know, the purpose of the rules, is to break these, to create a management tool to manage the coastal zone. And how do we manage it? At the State level we set up some objectives and policies that, that come down, and SMA guidelines that come down to each of the Commissions, and I'll go through those. So at the State level, there are objectives and policies and guidelines that are in your rules that we've translated into your specific rules here. And so these are logical. The SMA guidelines, these are guidelines for you.

So we see, in the coastal zone, we want to do these things. We want to seek to minimize coastal impacts. So we don't want to dredge, fill, alter our coastal areas. We want to --. We don't want any reduction in beach size. We want to maintain our beach access, coastal recreation areas. We do not want to lose coastal view plains, and we do not want to pollute our water quality, impact our fisheries, wildlife, and habitat. We want to keep our waters as clean as possible. And we want to manage our existing agricultural uses as much as possible near the coastal zone, including like fish ponds and things like that. So those are pretty high level and logical. So the bottom line, between the Coastal Zone Management Act which again is at the State level through these guidelines, and then your SMA Rules, we seek to minimize where reasonable adverse impacts to the environment. We all know, we put a shovel in the ground we're going to have some impact, so we want to impact. No, we want to minimize the impact wherever we can through our environmental rules. But again it's only applying to this Special Management Area which is limited in, in Lanai.

So saying it another way we're ensuring adequate access to publically owned beaches, recreational areas, wildlife and natural reserves. We don't want to foreclose on those. We want adequate and properly located public recreation areas, adequately controlled, managed and minimized impacts from pollution and runoff. That's a real important thing, right? Any project on the island we want to minimize pollution and runoff into the ocean. Minimize adverse effects to water resources, scenic resources, recreational amenities, and then minimize risks to proposed structures from coastal hazards, right? We don't want to build too close. We want -- we know of climate change, sea level rise, coastal impacts or episodic storms we need to cite any development away from the ocean, from the shoreline.

So this is a list at the State level again, at the Coastal Zone Management Act, there are 10 things that we look at, and that the Commissioners look at during a project. Recreational, we went over that; Historic and Cultural impacts; Scenic Open Space; Coastal Ecosystems; Economic Uses, you know, that has to do with harbors and things like that; Coastal Hazards; Managing Development well; Public Participation. It, it calls for meetings like this, making sure there is public participation. Beach Protection Access and Marine Resources. So without going into the details here, you can see that this is a good level of review that is, again, at the State level. So we'll, we'll talk about how this translates down to the SMA Rules and the Shorelines Rules.

So this is coming down from the State level, and we'll just talk about this Special

Management Area Rules for the Lanai Planning Commission. And they were sent out in the packet that you got, the actual rules, so I do have the key things that you need to look at. So, the SMA Rules provide authorities for the commission and the Planning Director. Okay, the Planning Department look at some things, and the Commission, as we're kind of talking about with Clayton already with the bed and breakfast. What gets done in Maui, what gets done by the Planning Director versus what is brought before the Commission. So we kind of triage some of that, but, so I'll just go through this slide a little bit. So any proposed action in the SMA requires an assessment by the authority, either the -- so it goes to the Planning Department first, and then it comes to the Planning Commission. So anything in the SMA requires an assessment, and then the Commission is the authority for major use permits. And I'll talk about -- that's a defined thing or the size of the project determines whether it's a major or a minor. And then SMA Exemptions. There's a list of exemptions that I'll share with you in a minute. And then the Director is an authority on some minor permits that are -- they're smaller projects than the major permits. And then these SMA Emergency Permits. We have a lot of emergency permits on Maui. Just where there's a lot of erosion, things start falling into the ocean, we need to protect them, and we need to make a decision. So it's an emergency permit. It's done, the decision to allow or not allow something to happen happens at kind of my level, under the Director because we don't have time to have a public meeting on it. But we always report them out to an emergency permit that's authorized.

So these are the criteria. So if something major comes to the Commission, these are the criteria. There's 13 criteria that you should look at, and I kind of parts them out here. So a proposed action -- the idea is a proposed action may have a significant effect on the environment when the proposed action -- it involves an irrevocable loss of a natural or cultural resource, right? You can't build a house on top of a heiau, or impact iwi, or, or really sensitive sites, right, that's obvious. So we don't want to lose natural, cultural resources. Significantly, significantly curtails the range of the beneficial uses of the environments. Conflicts with State and County long term environmental policies and goals, which are pretty straight forward. Substantially effects the economic or social welfare of a community. Has secondary impacts, it increases impacts on your infrastructure, the roads, the hospitals, the schools, right? If you had a big subdivision going in or something that would impact the infrastructure here, we, we can manage that way. And then it gets into some of the more environmental pieces like substantially affects a rare, threatened or endangered species, animal, bird, or animal, plant or its habitat, so we look at the biology of the situation. We look at our State, County plans, the zoning, all of that. It needs to comply with our land use regulations. It may -- something may have a significant impact if it detrimentally affects our air or water quality, noise even. And then if it infects, affects an environmentally sensitive area such as flood plain, shoreline, tsunami zone, erosion prone areas, coastal waters, fresh waters. So again those are, you know, our eco-system in the, in the coastal zone. Substantially alters land forms, so any grading, major grading or changing the land form. And public, existing public views to and along the shoreline from the road there. Okay, so views are also protected. And then the last one goes back

to...something at the State level, contrary to objectives and policies of the Coastal Zone Management Act. So those are the 10 listed things at the State level. So your rules refer back to the Coastal Zone Management Act objectives and policies.

So these are, when a project comes before you, this is the list of things that technically you need to review a project on, over. So the planner should come to you and say we may have runoff, we may have pollution, so we're minimizing, we're mitigating that runoff drainage problem into the ocean. You know, it's one of these things, by doing whatever they're doing, retention basin or managing all of the water on the site, something like that. So these are, these are in place to mitigate the project, to minimize the impact as much as possible. So those are the rules.

And then there are types of permits. You have this listed in front of you. So there's a major permit. These are projects that are over half a million dollars in valuation. They require a public hearing, and they require this notice of the 500-foot radius of any neighbors, physical, like certified mail. And obviously it would be on the agenda, you would notify the public and people can testify. So that's a major permit. A minor permit is less than \$500,000 that's planned. And there is no public hearing required for that. And both of these can have conditions put on them to avoid, minimize, and, and mitigate impacts. So a project may come to you and you, and you can change it. You can put conditions on major, major or minor permits to make it comply with our environmental rules, the SMA Rules. So there are conditions that -- some big projects can have 20, 30, 40 conditions on them, whatever they may be, and a lot of that can come from the public. You know a good way of mitigating environmental impacts from a project that's coming up is to tell the Commissioners how to mitigate it. Here's what you can do. You know --. You kind of --. A good way of, instead of just saying, hey, it's going to have an impact, here's how I think you can mitigate that impact, to lessen that impact by placing a condition on it. So the public can have an influence on the process also. It's important.

Emergency permits I've gone over. It's like if something, if there's an eminent harm, and the Director can give an oral approval, but they still have to come in with a permit, and then we notify the Commission. Clayton would do that at the next meeting. It would, it would be notified to you.

Then are two other kinds. There's the Exemption that I'll go over, such as like a single-family home on a lot. It can be exempted. It doesn't need to go through the, the Planning Commission per se, but before anyone can build a home, at the, at the, at the Planning Department level we, we do scrutinize a project. We don't rubber stamp anything. We look at, you know, typically we look at drainage, impacts on drainage, view plains, archaeology, historic and cultural, natural coastal resources, any cumulative impacts. So we would make sure before a project is improved, for even a single-family home in a subdivision here, that it complies with our SMA Rules, your SMA Rules. And -- but you do, you do review all the SMA Exemptions before they are approved. And minors are -- minor permits are reported,

and emergency permits are reported to the commission at the next meeting, and they can be contested. So permits that are authorized can be contested within a 10-day business window once they're notified by any member of the public, or, or anyone. So there is a check and balance process.

So these exemptions I talk about these are, these are minor things, except for like the single-family residence that's not part of a larger action. You know, if it's just one single house it can be exempted. Structural and nonstructural improvements to single-family residence that already exists. If you're going to change a little bit on a house, we can't, we're not going to bring that in front of you. But I guess we will, I guess you do approve that on, on the back end, and review it. Repair and maintenance of roads and highways. Drainage, routine drainage of stream as maintenance. Repair and maintenance of underground utilities. These are all -- you can see repair, replace, modify, repair and maintenance of existing structures, and demolition of some structures that are not historic in nature. Anything, anything that's 50-years old or older we review. We have a, we have a cultural resource planner on Maui that would, before anything was demolished on island, we would make sure there's no historic, cultural significance to it, and we would document it. The idea is there is a process, HABS, Historic -- I don't know what it stands for, but it's like it's documenting any historical structures before they come down. So some can be actually be an architectural review and documentation of a structure.

So those are exemptions. So those are kind our, the rules portion. Then there's the setback, shoreline setback rules and regulations for the Lanai Planning Commission. So this is right at the shoreline, and so it involves the same objectives at the State level but like the, it really looks at right at the shoreline, minimizing impacts to the coastal eco-system, looking at any new structures that might be at risk from coastal hazards, beach protection and access, any marine and resources. So we're looking right in, like, within a 150-feet of the coastal zone, at the, at the water's edge. So these are your shoreline setback area that we call it and you have a set of rules for these too. So the goal of the shoreline rules is to regulate anything at the shoreline. To protect resources -- to make sure that shorelines are protected, beach resources are conserved, visual and physical access is preserved. And, and, not only that, but that landowners do not incur unnecessary risks and any shoreline hardening expenses. We're trying to minimize any more hardening of our shoreline. So again as I showed you before, these -- you look at the, the rules.

And there are four main objectives. It's really to move out of harm's way, older structures that are, that can be retired, that are too close to the shoreline, demolish them, move them back out of the setback area. Again plan for obsolescence of structures in the shoreline setback area. Ensure shoreline access. A lot of things encroach on our shorelines limiting our access, so we try keep our shorelines free and clear so that the public, everyone, can laterally, vertically access the shoreline, and laterally go along the shoreline as much as possible. And then limit the types of structures and activities in the shoreline setback areas. And here, in your rules, they're very, very limited.

So this is just a picture of something we don't want to get ourselves into a house falling in to the ocean. So your shoreline rules were enacted in 1996, so they regulate for public, health and safety right at the shoreline. Give minimum protection from natural coastal hazards such as storms and king tides and sea level rise and all that happening now, and ensuring that the public does have use of the shoreline. And then there is a method here in Lanai for determining the shoreline setback, and it's called the Average Lot Depth. And any action on the shoreline, or, or at the shoreline requires a State certified shoreline also, so --. And what that is is a, it's a, it's a, a surveyor comes and measures where the shoreline is and then the State would certify that through a process so that we keep track of where the shoreline is.

So there is a methodology that, depending on what the lot size is. You know, if it's kind of a like a lot on the shoreline where, where you might have a home, it's not as applicable to Lanai, but it's called the Average Lot Depth. You kind of take three measurements. One side, the middle, the other side, add them out, figure out what the average lot depth is. This would be your shoreline here, and then the front of the property here. So then you take a quarter of that. So it can be anything. For a very narrow lot, it's 25-feet, and it's like it steps up for anything over 100 feet. You can't build within the first 40-feet. And anything over 160-feet deep, you take a quarter of that, so a bigger, a bigger, deeper lot. You can go up to 150-feet. So it ensures that something is not built right in the shoreline. Yes, sure, question.

Mr. Dela Cruz: . . . (inaudible) . . .

Mr. Buika: Pardon?

Mr. Dela Cruz: . . . (inaudible) . . .

Mr. Buika: In this middle one here? Okay, this is -- so this is less than. Average lot depth, if it's less than 100 feet --. Oh, right, greater than 100 feet. You're right. Somebody's paying attention. Did you get a math degree from UH here? Yeah, okay, that's great. Okay, we'll skip that slide. Okay, everyone correct that, okay, greater than. Thank you. Right, so it's, it's between. It's between 100 feet, if the lot depth is between 100 and 160 feet.

So then there are things that we can and cannot do, and there are authorities for determining what can be done and what cannot be done in the setback area. So we can do, we can determine, the Planning Director, like at my level, we can determine what the shoreline setback is for a parcel. That's just administrative...as long as our arrows and our less than and equals to right. Then there can be certain approvals that can happen within the shoreline setback area...that can be done by the Planning Director also and they are managed by your rules. They're very minor structures, and I have a slide on that. But anything that is larger, that is significant right at the shoreline, requires a variance and an

environmental assessment by that, that owner, and it goes to the Lanai Planning Commission for determination. So any action, of any significance at the shoreline is brought to your body here.

So these are some of the minor things that can -- these are permissible structures right at the shoreline. You know, if it's less than \$20,000 it can be allowed. If it doesn't impede the natural movement of the shoreline, it doesn't exist, doesn't alter the grade at the setback or anything. So anything of that small value and any structure such as that needs to be elevated above a base flood elevation, the County is held harmless, and there's just some controls on it here, and it doesn't harden the shoreline. So under -- things under \$20,000 that have no impact on the shoreline can be permitted under your rules.

And then just wrapping up here, there are some things in your rules, there are some things that can be approved as a variance. Most of them are publically oriented. The first one crops, aquaculture, limited landscaping, drainage improvements, boating/water sports facilities, public facilities that are already there mostly, private facilities that have a clear public interest, private facilities that might not impact the shoreline, and then private facilities, again, that really do not impact the shoreline and would not cost a hardship also. So those would be vetted and make sure we get those types of things to you guys properly.

There are some mandatory conditions that go with any variance. We don't want to set up a situation like this, you know, where we, we require lateral access, minimize risk to beach processes, minimize structures from falling into the ocean, complying with our flood hazard rules, and minimizing any view plain loss here, so this is one bad example of what not to do here. So there are some conditions that go with variances.

So that's really it on our SMA Rules, the Shoreline Rules, and then things that need variances. And, you know, just in conclusion, you know, our shoreline is very, very important to us obviously, tourism, economy, recreation, fishing food, cultural practices represents our quality of life. Our shoreline is threatened more and more with coastal erosion; that's accelerating. And you know we're looking, rather than parcel by parcel now, we know we need to really look at our shoreline scientifically as a beach cell system because you do one thing at the shoreline, it has a domino effect. It affects other properties down the line. You know, there hasn't been much development right at the shoreline in here, in Lanai, fortunately, and we learned a lot over the years and we can apply things as, as the shoreline is developed.

And so really through our, the SMA guidelines at the State level and through your rules, the whole idea is really to minimize, where reasonable, adverse effects to the environment at the shoreline. So it is your environmental rule. This is really the only environmental regulations that we have in the State through our SMA Rules here at the commission level. So I'll leave it there. That's my ending remark. This our team, myself, Jim Buika. We have Keith Scott. Tara Owens is a University of Hawaii Sea Grant Specialist. She has been here

to the islands before, can talk about some of the coastal processes here. And Jeffrey Dack is our, is our boss. This is down, south of Charlie Young. This is down Kamaole Beach Park. Lanai, there it is, off in the distance there, right off of here. This is a -- this is a structure, this is a structure in the shoreline setback area. It's an -- it's a coastal dune walkover so that the dunes get trampled. It preserves the eco-system and it's ADA compatible. So we have five or six or seven of them now on Maui. We're trying to make it as -- the shoreline is accessible as possible, and this little photo here is what it's all about, right, getting people down to the shoreline and enjoying the shoreline. So I'll leave it there. I did include in the back a slide with our contract phone numbers, e-mail addresses, and if any of you have any questions, comments. Thank you for your time and attention, I appreciate the opportunity to present today. Thank you.

Ms. Gima: Thank you Jim. That was very informative. Commissioners, any questions for Jim?

Ms. Green: Thank you Jim. Can you quantify any of these things? I was involved with the community plan and unfortunately my memory is not what it used to be, and remember there was a 1,000 feet setback. Is that part of the shoreline setback rules or --? You know, I mean, you have a yellow line around, but can you, you can't quantify any of this?

Mr. Buika: Well, right now, it's -- the, the Special Management Area, it's just from the road to the shoreline on Lanai.

Ms. Green: But we have a lot of areas here where there are no roads near the shoreline so --

Mr. Buika: I know. I know.

Ms. Green: So you cannot quantify this at all?

Mr. Buika: Yeah, we --. So, yeah, Kathleen is going to talk about the, the Special Management Area. But the setback is --. Yeah, there's different options. You could have different options so...right now it's, it's very narrow. But the shoreline, the shoreline setback area that I was talking about is right at the shoreline. The SMA boundary is separate from the shoreline setback area. So, within the SMA we have shoreline rules, which defines a setback area so that we don't want to, we don't want to develop right at the shoreline. So that's the distinction I was trying to make.

Ms. Green: So I've heard about this 1,000 feet. It doesn't apply to anything?

Mr. Buika: Not yet. No. No, Kathleen's shaking her head, no. So Kathleen will --. Kathleen will speak shortly about that, so good question. Good lead in. Kathleen.

Ms. Gima: Commissioners, any other questions? I will open up public testimony just because Jim is still up here so if there is anyone in the audience that does have any questions or comments for Jim. Alright, so closing that public testimony. Thank you.

Mr. Buika: Mahalo.

Ms. Gima: Appreciate it.

Ms. Kathleen Aoki: Good evening Chair and Commissioners. Hi, my name is Kathleen Ross Aoki. I am, as Clayton said, the division chief for the Plan Implementation Section for the Planning Department. We are a fairly new division. It was created in 2014 with the idea of actually having a dedicated staff to work on implementing our plans, which before pretty much fell under the Long Range Division. But given the amount of plans that we had to do it was, it was rather difficult to do a lot of the program so this is me. We're a very small division. I have one planner, Carolyn Cortez; she's a senior planner. And Peter Graves is our GIS Analyst V. He's actually housed in Long Range though since all the equipment is there, and we actually share him with Long Range, and Zoning, and Current, and everybody else so he's widely used.

So as I mentioned, 2014, we were created. And it's a dedicated staff to look at our plans which include the Maui -- the General Plan which is the Countywide Policy Plan, the Maui Island Plan, then you have the Lanai Community Plan which was just recently adopted, Molokai, and then we have six other plans, community plans for Maui County. Our other responsibilities include drafting and taking new legislation forward. We share this along with the Zoning section so it kind of depends on what it is that we're proposing, who's going to get to take that forward and I can go over some examples with you. And then Peter's responsible for these GIS maps and analysis for implementation projects. And other thing that we do is every year for the budget -- so when the County budget gets put together by the Mayor's Office, in Title three-point something -- sorry I can't remember exactly what it was, what it is -- by the Maui County Code, our budget, there has to be some consistency between what is proposed in the CIP budget to what is in our General Plan. So we get the budget, and we have to go line by line by line with every CIP project and find consistency with our plans, and you can. I'm letting you know that a lot of them either have -- more than not there's more than one implementing action that fits in with a CIP project. So that's another thing that we do. It takes quite a bit of time to go through that because we get it all at the last minute but we bust okole, we get it, and hopefully the Council members look at. I'm not quite sure what happens to this report, but we do it. Yeah, it's kind of funny.

The last thing we do too which I don't see -- oh, I do, monitoring and tracking. So another report that we work on every year is looking at every single action item, and I can tell you that there's 1,176 implementing action items in all of our plans combined. So what we do is we put matrixes together, we send them out to each of the departments because Planning isn't responsible for all of these, right. They're, they're assigned to different departments,

State, Federal, sometimes private, like for Lanai, you have Pulama Lanai listed down, and we do a monitoring or I should say an implementation report to look at where we are as a County in implementing our plans. So we're working on the second annual one right now. I was just looking over Lanai's one because I had to change all of Lanai's ones out from the last plan and insert the new ones.

So the important thing, for me, today is just to explain how your role, how do you fit in with PID. We call ourselves PID; P, I, D. Because you're not going to see us very much probably. You know, we don't come and do presentations for you for projects, but we will come in to hold special meetings and hearings on projects such as, one, that's going to be coming before you is we are doing what's called, I don't know, maybe you've heard about it, we've been doing it for nine years. It's called the DSSRT project. D, S, S, R, T, and it's the -- we call -- it's the Dead Sea Scroll Replacement Team. And essentially what this is is we have very, very, very old zoning maps, and I see some eyes rolling around here. They're very old, they need to be digitized. We're trying to get up in the 21st century so we're --. Because there's going to be legislative change to Title 19 to adopt these maps, we have to come before all of the commissions. You know when you guys provide comments to those kind of changes, that's what we're going to be coming to you for.

The first map, just so you know, is for Maui Island, only. We're doing one map at a time. Maui Island is going to be first. So while we come here, we're going to be asking you for your comments on the text part of the changes. The map will be coming to you later. But we need that text language change to adopt for digital map before we can adopt the map. So there you go, review --. Where's the pointer. So you review, evaluate, make recommendations and decisions on new legislations, implementation activities. If we need to come before you, we will. And then any kind of legislative decisions or activities.

So for me, what's important is that, and there's a lot of plans, but it's important to know our plans. You know, there's a lot of reading involved, I understand that. But you as a body when you're making decisions, a lot of times you're going to get told how this relates to your Lanai Community Plan, how it relates to the Countywide Policy Plan. So without knowing those plans it's hard to ask questions. So, it's very helpful when Commissioners are kind of Akamai about the plans, and then you can ask your planners and your staff, you know, in relations to the plans, how they work.

One neat thing that I really like about P, I, D, or PID is that we're very involved with all of the department, or all of the different divisions. We're cues of working in silos. I think that's kind of a common place in a lot of places, right, you know. But what P, I, D, because we're working with the zoning maps, we're really involved with Zoning. With Current Planning, they have projects, they come into my office and ask me about an implementing action or what was meant by this. And then, of course, with Long Range, I work with them a lot, because they're the ones creating the plans, and working with the community. And I know, at the end of day, when all is said and done, that plan is going to come to me, and it's going

to be our responsibility to try to implement it. So, we have a big role with Long Range. And we're working a lot with Long Range right now on the West Maui Community Plan which is the next one that's coming up. Molokai is currently at the County Council for review, and hopefully approval.

So just for those of you that were a part of the CPAC or GPAC, you kind of know these are how our plans are set up with a goal, objective, policy, action. So that implementing action that I have to look at, and that the other departments have to look at it. It's not just Planning. Every department has actions that are, that are affected by it so they should be looking at the plans too. I don't speak for the other departments, but they should be looking at them. So the program is coordinate series of policies, you identify the party responsible for it, you establish a milestone, and you try to link that action to the budget.

So here's the implementation of the General Plan. It can occur in a variety of ways. So that's what we get asked, well, how do I know this is getting implemented? A lot of people think that our, our, our actions are not being implemented, but, you know, it's surprising when I do those reports I would say more than half the time they've either been implemented or some kind of action has taken place. It's actually a big surprise to people because people think nothing's getting done. Granted things may not be pau, they may have been started 10 years ago, but it's been some way addressed.

So here we have CIP budgeting. That's how things can -- we revise legislation, to enact action items. You have planners that look at reports, try to implement them when they work on projects. Board and commissions like yourself if you put on conditions that's a way of implementing an action item. And of course you've got all the other legislative bodies that can do it. Public, private parties can be involved. Say there's an action item that says support cable in Hana or something, you know. Support wide internet, and the private company goes in and does that on their own, we can't force them, but we encourage them, and we do what we can. That would be something that a private entity would be doing for us.

So here you have 73 actions in the Countywide Policy Plan, 396 actions in the Maui Island Plan, and 707 actions in all of the Community Plans. I just counted for Lanai, you have 150. That's 88 more than what you had in the last go around. So implementation occurs over a 20-year period. That's the time frame, but I think we can all agree with over 1,000. Not all of them are going to get implemented, and I think that's the idea is that these are goals, these are objectives, these are hopes for the future, but there's no way really to do them all.

And that's all I have for that. Pretty simple. Simple, duck soup.

Ms. Gima: Thank you Kathleen.

Ms. Aoki: You're welcome.

Ms. Gima: Commissioners, any questions. If not, opening up public testimony if there's any questions for Kathleen at this time. Okay, I'm going to close public testimony and you're going to stay up here for your next part.

Ms. Aoki: I am.

Ms. Gima: I'm going to ask the people, though, who are standing in the back, there are a lot of seats up in the front if you would like to come in and have a seat. We'll let you come in now while no one is presenting. We just ask that if, you know, anybody standing outside and if you're conversating if you can take it over a little bit because we do have quite a few presentations tonight and would like to give the respect to those who are presenting.

E. COMMUNICATIONS

1. Status Report on the Lanai Special Management Area (SMA) Boundary Review Study (K. Aoki)

Ms. Aoki: So, there's a lot of new members, and I know Kelli knows and Brad knows, I, I came here last year, a few times to talk about some proposals to amend the SMA boundary for Lanai, and so Caron, first, I wanted to address your question regarding the 1,000 feet. And I don't know where the 1,000 feet came from. I've heard of a 1,000 yards, okay. I have heard the desire of some to say move it up to 1,000 feet, move it up to a -- I mean, there's been a gamut of all kinds of things.

Essentially back in 1975, Hawaii Legislatures past Act 176 which was the coastal zone and SMA law. When they made that law, I have done a lot of research on the recommendation of this body to try to come with where do we want to move it, what makes sense, what's legal which is important, and what's practical for everybody. And so I'm happy to say I've done a lot of research and it's amazing what you can get from our State Legislature if you ask from 1975. When they adopted this act there was the understanding that it would be 100 yards, which is 300 feet, okay. But the initial --. So, you know how bills go through all kind of iterations, initially some of those house bills talked about 1,000 yards. But at the end of the day -- and I have them all written down here -- when it got changed and it went to the State it got put in as 100 yards, and everybody signed off on it. So that was, at the end of the day, it's what they agreed on.

The other understanding with this act was that Hawaii is one of only two states that has state land use, right. We have urban, conservation, you know, those -- agriculture, and the idea in all of these guys' heads, in 1975, was we're going to make it 100 yards because we have state land use. So anything that's outside of the shoreline area which is what you're needing to protect is going to fall under that land management system because they specifically talk in here about, well, shouldn't our entire island be in the SMA because everything that happens mauka,

right, affects the ocean. So it was really interesting to me to read this because that was thought of back then too, you know. Well, they, they, they made the decision that because we have the State Land Use, we have a lot of conservation, and we have this -- that land use and we have County zoning too, which goes in and even more codifies what you can and can't do on a piece of property. So I'm not sure that really answers your question about the 1,000 feet, but I thought it was interesting about the 1,000 yards. And I found it very interesting to see that there, there was actually discussion on where should this SMA boundary be? Where are the county -- because county has to do it themselves, and at the time the counties hadn't done it, but they were mandated to do it. So I think the counties were saying, well, give us some guidelines. We don't really know where we're suppose to put those things.

Then there was discussion about the roads, which is what Jim talked about. And you'll notice not so much, of course, on Lanai, but on Maui and other islands the SMA totally follows these highways and it can be this skinny or it can be really wide. And that was another thing they talked about was for ease. One of the recommendations was if it works basically, and you're looking at access and you're looking at protection, and you're looking at all the criteria that falls within the SMA, yeah, yeah follow the highway. So that's why for, I know, for us on Maui, you know, at Kaupo, it's massive. It goes all the way up to the highway which is way more than 100 yards. But I think for ease purposes and what the landscape looked like at the time, that's why they made it that way. It doesn't make it right or wrong, but at least it gives you an understanding of why did they do this because I know we talk about that all the time. Right Jim? Why is the SMA where it is; 100 yards, distance. It was distance, yeah. Yeah. So it is very narrow. It is very narrow. Well, some people might say that's a lot, some people may say it's very narrow, but at least that's why.

One of the other comments that was made in here was that -- then it became, okay, so if it's 100 yards, should it just be 100 yards, that's it. And they said, no, you know, you got to have flexibility. You don't want to say a 100, a 100 yards and then there's some critical feature that you're trying to protect and it's 152 yards that you're going to say no, never mind. So there was flexibility in that. It wasn't 100 yards, period. It wasn't up to the road, period. It was kind of massage it all, come up with the best. You know, what works and what makes sense and what you're trying to protect. And that's the other thing, you're trying to, you're trying to manage the shoreline area. You're not trying to manage everything else. And what I was reading, a lot of it had to do with, I guess, you know, we look back at the 70's, the potential for development along our coast was threatening the locals from getting access and that is talked about a lot in here, is just the access. Environmental concerns too, I don't want to down play that, but it was access. So that was another thing, you know, you're not going to make it miles, and miles, and miles away.

So what I've done is based on this research that I did on what -- what I'm suppose to be doing when I'm looking at amending an SMA boundary? And, looking at our features, yeah, what you have here on Lanai. So, I, I did put up a map over there which you can hardly see, but, anyway, Peter did a great job, of your existing SMA, and then a 300 foot buffer which is what these guys talk about in here, and then just for example, a 500 foot buffer. What this act says is if you're

going to make it more than 100 yards, or 300 feet, you have to show some kind of nexus on why you're doing that. You can't just do it because you want to do it. There has to be some kind of nexus. So what I did was, and it wasn't just me, I talked to the shoreline planners, the Director was involved. Oh, how am I going to do this?

Well, let's show you Manele, just for argument sake so you can get an example of what it is that we're doing. So right now your SMA roughly pretty much goes 450 feet, which I found ironic after reading this it said one of the considerations that was suggested in the draft that the maximum width of the SMA as measured from the kahakai should be no more than say one and a half times the minimum width which is 450 feet. So I don't know, I can't tell you if that's why they did that, but I thought, oh my God, okay, maybe that's why. So right now most of your SMA is, is roughly about 450 feet. There is variation at Manele obviously because the whole, down here, by the harbor is, is more than 450 feet. But for the most part you follow that.

What we're proposing is -- the one of the more I would say significant changes that we are going to propose to the commission is just down here in front of the, of the clubhouse. This is your current SMA. I mean, you can see it's like it just follows the coastline about 300 to 450 feet. You have a cultural preserve site here, a heritage site here called, sorry, Kapihaa. Yeah, okay, thank you. Just making sure I got it correct. So right now, half of it is in the SMA, or a little bit more than half of it is in the SMA and the other half isn't. These are the kind of things that we would say put the whole thing in the SMA. Arguments can be made that it's already under SHPD review. There's nothing that can be done here willingly. It's got SHPD review. So one could say, well, what's the point? You know, you can't do anything with it anyway. And my point is why not put it in the SMA and have it as just one more protected area. That's what the SMA is about, right, trying to protect these, these culturally significant places. So that's one example of where we would propose to just move it a little bit more mauka. It's going to be more than the 300 feet, but I think we can reasonably argue that, to the Office of, State Office of Planning, which all of this has to go through for review, why we want to, why we want to make it that way.

Ms. Gima: Kathleen?

Ms. Aoki: Yes.

Ms. Gima: So that would be considered a nexus then, to make an amendment.

Ms. Aoki: Yes.

Ms. Gima: Okay.

Ms. Aoki: I believe so. We'll find out, but I believe so. We believe so. What we did in the other areas is more on your -- so all along here, we, we looked at for the whole island, the tsunami inundation maps. So we have new tsunami inundation maps. There's sort of this, I don't want to call it regular, but just an event tsunami, you know, inundation line. And then what they did

was they created a new layer called the extreme tsunami inundation zone which is a result of really big significant impact earthquakes like the Chilean earthquake where we, we suffered a lot of damage. So they made two, two maps now. So I said, okay, well, let's look at the extreme one. We might as well take what we know could potentially happen, and because of the way your island is situated geographically you don't have any tsunami inundation zones on this side because the waves come this way. So along here all we did was I want to say kind of fix your SMA boundary because, again, you're dealing with 1975 USGA quad maps and now we have all this digital GIS reference points, your lines aren't matching up nicely which is exactly what DSSRT zoning map is trying to do is match up lines. So we just -- Peter went in and adjusted that SMA line to what it is now but made it more align with your coast.

This area is pretty much is all conservation, so it's in the conservation district anyway. Again, another layer where you can't just go do anything and you have to get a State permit to do development. Zoning has no jurisdiction in the State conservation district so that's another thing too. And SMA, they pretty much look for consistency. So with that you come along in this area, and this area has tsunami --. Well, more this area here. I'll bring up the other map. But this area here has a tsunami inundation. Along here what Peter and I did was, you know, he's got the good GIS stuff and aerials, we zoomed in and you have a lot of sand dunes going on all along here. So we bumped this line back. If you follow this kind of -- it's suppose to be green -- light green line, what we did was we tried to draw in where those sand dunes are because we all know where there's sand there's features at least in my opinion. So, then you get to rock, you know, up here, and so there's no --. I'll pull up the tsunami inundation map in a minute, but, so here we zoomed in -- it's hard to see -- but you have all sand features, all sand dunes. Then when you start getting to the tsunami inundation zones, we follow that which incorporated everything anyway so it wasn't --. Wherever it was the most protect, protective is what we, we followed the line on.

So then down here, same thing, it's all this extreme tsunami inundation area. Also down here, you know, is you have Club Lanai and these other areas, you have archaeological features down there too, these are all within this boundary. Your line right now pretty much already incorporates the SMA boundary right now, protects a lot of these features. But again, we're just following the tsunami, the extreme tsunami inundation line. So Peter and I were careful to look at what kind of features you had down here, making sure to incorporate them into the SMA. It's really not a huge, huge difference to be honest with you, but it follows, it has a nexus, it has a relationship to why you're doing what you're doing which is what you have to show the Office of Planning.

Shoots I lost my train of thought, I was going to say something else. Anyway, I lost my train of thought so are there any questions so I can think about what I was going to say? I'm human.

Ms. Gima: So, first of all, Kathleen, thank you because I can't imagine how much time you put into doing the research and then looking at all of these maps so we really appreciate it because this was something that we had tried get on the agenda for quite some time. So kind of moving forward, what would be the next steps?

Ms. Aoki: So, I would like to have a public hearing. You need to have a public hearing in order to adopt or make, make the recommendation to adopt the changes to your boundary map. I can, we can -- you know, it's up to, it's up to you. If you feel that these recommendations are suffice. If you have any more questions, and you want me to research anything more, then I wouldn't do the hearing yet. If you think you're ready to do a hearing. Nobody says you have to make that decision tonight, but that would be your next step is for, to have an actual public hearing where it's put in the paper and you get, you put public notice that you're looking at amending your maps, and then you make the recommendations. One thing that I would like to do which I haven't done yet is just to show this to the Office of State Planning because they have to review it. Like I said, we, we don't, we don't foresee a problem. We're not making the SMA boundary less in any area, so we're not making, you know, I think that, that might have been worrying some people. If you do that then Office of Planning is really going to ask you why are you doing that, so.

Ms. Gima: So basically then have the public hearing, Planning Commission would make recommendations to the Office of Planning is that then the next step or is it County Council, what?

Ms. Aoki: No, you would approve the recommendations that you set forth in this map and Office of Planning has to just agree, and then it gets adopted.

Ms. Gima: Oh, okay. I, I think your idea of going to the Office of Planning first to have a review would make sense.

Ms. Aoki: I -- I don't --. Jim's the Mayor -- does the Mayor sign off on the map? The Mayor signs off on the map, too. Sorry, I forgot about that.

Ms. Gima: Okay.

Mr. Buika: There is a section in the rules.

Ms. Aoki: Yes, there is, and I've read it over, but on maps in talks about, yeah. But a public hearing is your next step basically. I wanted to see if I could find you that.

Ms. Gima: Kathleen, would it be okay if --. Go ahead Jim.

Ms. Aoki: Two-thirds vote. I'm sorry. You need two-thirds vote by the commissioners to adopt the map, the changes. So this is your tsunami inundation map that I was talking about that just came out recently. The red is your normal event, and the yellow is your extreme so that's what we followed. And this down here at Manele which your SMA was pretty much in there anyway. So, there was really no -- because the entire plateau here is in SMA. There's a little bit at the harbor. That's all within the SMA as well. And then...let's see I wanted to --. Here's your harbor.

So again this the 300 foot boundary and this is the 500 foot boundary. Or, I'm sorry, this is your -- your current SMA is in the red, this is the 300 foot which I wouldn't recommend making it 300 even though that's kind of what these guys talk about because it's been that way since 1978, I would just leave it that way. I wouldn't --. Because once, like I say, once you make it less it's going to raise red flags. And it's, I think, it's good where it is. So this is where it is now which is about the 450. It varies, but around there.

Ms. Gima: Kathleen, if it's okay with you to open public testimony.

Ms. Aoki: Sure.

Ms. Gima: Okay, so I'm going to open up public testimony. Is there any comments or questions that anyone has? Come on up.

Mr. Stanley Ruidas: Hello Commissioners. Thank you Kathleen. It's a good presentation, and that was a good, a good job looking into all of that. Thank you. I proposed that about eight, nine years ago.

Ms. Gima: Your name. Put your name.

Mr. Ruidas: Stan Ruidas, Lanai resident. Caron, you remembered right? It was 1,000 -- I proposed 1,000 foot elevation. No, it was a 1,500 foot elevation, 1,000 foot distance because if you take the east end it's all low areas, and looking at that tsunami area, you still have cultural sites right above that, you know, if you're a hunter you've seen it. If you take the west end, with all the cliffs, an elevation wouldn't work because you've got 1,000 foot cliffs so the distance would, would, you know, take precedence over that. I would say look at the areas and add 25% more than that would be a good line to look at. But you still need a number not just a line, you know, around that, the east end and the west end. I guess Manele area comes under special project area so that would take precedence over that. Yeah, just something to think about. Thank you.

Ms. Gima: Thank you. Anyone else wishing to give public testimony? Alright, I'm going to close public testimony. Kathleen, is it possible as we are moving forward with this -- and again, thank you for all the research -- is to kind of get your, you and your divisions' recommendations, and then like the maps where we can kind of look at more close up, and maybe have it on another month's agenda where we have time ahead, like, we get with our packets to kind of look through it, come with suggestions and have that public hearing where we can have public input even before taking it to the Office of State Planning.

Ms. Aoki: Yeah. So if I'm hearing, do you want another meeting that's not a public hearing or do you want me --? Because that would be my report when we do --

Ms. Gima: No, I mean, as part of the Planning, a regular Planning Commission meeting, but just having that on the agenda, you know, people are allowed to provide public testimony and just have those materials, like, you know, right in front of us to really be able to digest what your recommendations are.

Ms. Aoki: Sure.

Ms. Gima: Because, I mean, we value your recommendations, being able to do all of that research, and then have more of that kind of open discussion on, oh, yeah, maybe this doesn't work, or this does, and then -- before you take it for review.

Ms. Aoki: Yeah.

Ms. Gima: Okay. I mean, there's, I know there's not a huge rush, we don't want to wait forever on this.

Ms. Aoki: No, I want to get it done.

Ms. Gima: No, yeah, so, I mean, that would kind of be based on your availability. We also don't want to rush you and say, okay, Kathleen, you have to come back next month. But, you know, in the, in the near future to have this on the agenda and have public testimony.

Ms. Aoki: So what I can do is put a report together that itemizes where the changes are being made, why they're being made, what the nexus is, the rationale nexus to the shoreline, and then we can do one more meeting like this with all of that. And then hopefully by then the Commission, we can either answer questions and you can feel comfortable in saying, okay, we're ready for the public hearing, or we're not and we can meet again.

Ms. Gima: Yeah, I think that's, that's perfect.

Ms. Aoki: Okay. Here's just an example, if you will, just so I can just elaborate a little bit more on where -- you see this red line, that's where your, your SMA boundary is right now. This is that tsunami inundation zone map. So you can see there's quite a bit of distance that's been added along here. But, again, there's a nexus for it, and why you're doing that. Oh, I remembered my brilliant thought. Okay, one more thing that came up last time was sea level rise, remember? Okay, so I sat down with Tara Owens, our UH Sea Grant Extension Agent, and she said Kathleen, if you're using the tsunami inundation zone, you have more than covered sea level rise. So I said, okay, you're the guru, and she said, yeah. You guys don't have much sea level rise issues here on Lanai, again, because of where you're situated and who's buffering you. And I know she did come and do, not for all the members, but she has come in the past and has done presentations. So that's the other thing I wanted to let you know because I know that's, that's a hot topic is sea level rise. So we've accounted for all of that along here with the extreme tsunami inundation zone. And then over here there's, there isn't any, you have cliffs all along here so.

Mr. Oshiro: One quick question.

Ms. Aoki: Yes, Brad.

Mr. Oshiro: You already can see the sea rise on the east side because if you go down on the east side and if you get one foot, two foot, high tide, the sea water is coming into where the gulch water comes out and it's filling in that area. And it's filling in that area, and right in back of that is the road. So if it's going to --

Ms. Aoki: Can you let me know where you're --

Mr. Oshiro: This side, along just from Keamoku Road where you, where you did the, the --

Ms. Aoki: This side? Yes.

Mr. Oshiro: All that.

Ms. Aoki: Yes.

Mr. Oshiro: All the way around, go back to, up to Molokai.

Ms. Aoki: Up here.

Mr. Oshiro: Because that's all sand area over there.

Ms. Aoki: Right. Right.

Mr. Oshiro: Okay, it's already happening, okay, and she said in 30 years, so now it's 26 years because I think she came four years ago, and she said it was going to rise 18 inches. And it's happening now. 18 inches, the water is going to up in the kiawe trees and the road is going to be gone. So, I don't know if we need to plan for that or just, you know, because it's going to be under water, it doesn't matter.

Ms. Aoki: What I would say to that is two things. One, you can, you can change your boundaries when you guys decide you want to change your boundaries. So if in 10 years or 20 years you start seeing that these boundaries need to be changed, you have that right to come back and do it, for one. Two, I trust what Tara told me that this was sufficient to address sea level rise, so I'm going to take, you know, her knowledge and expertise at this point, right now. And if in 20 years we find that there's a -- you are more than welcome to come back and change them. That's your -- that's what this body is here for. So without having that nexus, again, to say, oh, we should make it up here because sea level rise might happen, that's going to be hard to argue. Whereas right now we say sea level rise is happening within the area that we've outlined. I think you have a better shot of it being approved.

Ms. Gima: Anything, anything else Kathleen?

Ms. Aoki: No.

Ms. Gima: Commissioners, any other questions? Alright, thank you, again, Kathleen.

Ms. Aoki: You're welcome, my pleasure.

Ms. Gima: Let's take a 10 minute break before we go on to our next agenda item. So at 6:45 p.m.

(The Lanai Planning Commission recessed at 6:35 p.m. and reconvened at 6:45 p.m.)

F. WORKSHOP

May 30, 2017 request letter from MS. KARLYNN FUKUDA of MUNEKIYO HIRAGA on behalf of LANAI RESORTS, LLC dba PULAMA LANAI requesting a June 21, 2017 workshop with the Lanai Planning Commission on the following application:

Phase II Project District Application from PULAMA LANAI for the Four Seasons Resort Lanai at Koele Improvements Project, TMK: 4-9-018:001, Koele, Island of Lanai. (PH2 2017/0001) (K. Wollenhaupt)

The workshop is for information purposes.

Ms. Gima: Let's go ahead and resume this meeting, and we are going to move on to Item F, which is a workshop *(Chair Kelli Gima read the above project description into the record.)* . . . This is a workshop. It's only for information purposes. There's not going to be any voting or any decisions made tonight, so I'm going to turn it over to you.

Ms. Karlynn Fukuda: Good evening Chair and members of the Lanai Planning Commission. My name is Karlynn Fukuda of Munekiyo Hiraga. We are before you tonight to present the workshop, as the Chair noted, on the proposed Four Seasons Koele Improvement Project. And I hope I'm not standing in anybody's way and if I am, I can move over. Can you see okay? Yeah, you're okay. Okay, move this way a little bit, alright. Let me move over here.

Joining me tonight are various project team members including Kurt Matsumoto, Chief Operating Officer for Pulama Lanai, the project's applicant; John Milander from John Milander Architects, the project's architect and project manager; Kevin Mendes from R. M. Towill Corporation, the project's civil engineer; Bruce Meeks and Steven Sampson from Jozu, the project's landscape architect, and Kristine Huffman from Huffman Hospitality Concepts, the project's wellness consultant.

The purpose of tonight's workshop is to provide the Commission with an overview of the proposed improvements, and the proposed wellness center concept. As noted here, a Project District Phase II application has been filed with the Planning Department, and a public hearing on the application has been scheduled next month for review and action on the application by the Commission.

At this time I'd like to turn the presentation over to Kurt Matsumoto to talk about the background on the Koele property.

Mr. Kurt Matsumoto: Thank you Karlynn. So I hope you guys can all see. Good evening Commissioners and Chair, thanks for the opportunity to do the workshop for you tonight. I wanted to start off and just talk about my personal involvement with, with Koele, and kind of bring you up to how we've arrived at some of the changes we'd like to implement. As, as a lot of you know I worked at Koele for a long time, pretty close to when it was first opened and stayed with it for about 10 years, and we had great moments and we had challenging times too. And one of the things that -- well a couple of things stand out in my mind. Number one is, you know, just that I always enjoyed the reactions of people the first time they walked into Koele and get a feel for what the, the place was like. But the other thing that really stuck in my mind was every time I would have to go out and sell the project, sell the property, try to get people to come and book it, I would always be faced with the same issues. Number one is are you located next to the beach? The second thing is would be the weather, that they heard that the weather is cool and it's damp. And then the last thing was there's not enough to do. So for 10 years that actually was the, basically like the head wind that I would have to face in order to try to sell that property. So as much as I would try to explain that, well, the concept really is about having Manele and Koele together you have the experience together, we would try to sell it, like, you know, three nights here, three nights there, but it was very, very difficult to get traction. And this was even after all of the great press that the hotel received in the early 90's.

So now, 25 years later some of the things that were happening when I first came back was, you know, I noticed some things like I would look at the, the rates that the Four Seasons was promoting for Koele, and the first thing that hit me was like that was the exact same rates that I was promoting back in 1991. So that, that kind of demonstrates to you how difficult it was even with that great name brand, Four Seasons, on the front door it was very challenging to sell that property. So you all know the history about us deciding to do the renovation. We ended up using Koele a lot for the construction housing, and during that time we had to really think about what are we going to do? There's going to come a point when we're going to be needing to make a decision about what to with that property. And, you know, falling back on that past experience and looking at the, the results, it was hard to imagine just investing money, cleaning it up, and that people would all of sudden come in droves and stay there. Because all the money in the world is not going to change the fact that it still doesn't have a beach, the fog still rolls in the middle of the day, and it's still cool at night. So, while all of us love that, that's the thing that we appreciate the most, not just about Koele but about living here on Lanai, that is not what the major market, which is the mainland visitors are looking for. And so how do we turn

that weakness into a strength? And that is exactly what we think that we've hit upon, and that's the concept of turning Koele into a destination wellness resort. So, one of the things that I want to leave you with is the thought that this is not just a renovation project. Manele was a renovation project, albeit it was a very big renovation project. This is a second opportunity for Koele. It's a second chance to come out and be more successful than it has been in the past. So that's really the message that we want to present to you tonight.

Now, we're very fortunate. We have a lot of the people who were involved in developing the concepts and helping us think this through. So the next person that I want to introduce you to is actually someone who has -- is like what I would consider one of the foremost authorities on wellness in our country right now. She's managed at two of the most, well known, well respected wellness resorts that are established in the country right now, Canyon Ranch and Miraval, and she's, she's been a leading expert in the spa industry so we're very fortunate to have Kristine Huffman. Kristine is going to help me explain to you what exactly is a destination wellness resort, and what is the difference between leisure travel, like a Manele guest, versus what we intend to do at Koele.

Ms. Kristine Huffman: Thank you. And how --. So, thanks, it's great being here and it's such an honor and I just want to say that about 30 years ago I was lucky enough to find myself in this, the wellness industry, and I was in the wellness industry right at the beginning that wellness travel just got started. And I feel incredibly lucky to be involved in this project that it's taking it to the whole next level, and it's just going to be an amazing property.

So, again, at the beginning of the, the wellness industry, or wellness tourism, it was really unknown. I remember back in the day people would say, oh, you work for a massage, in massage like it was something, you know, forbidden. And now massages, everybody gets massages and understands that the role of massage and health. The wellness industry in 2015, the wellness tourism industry brought in \$563 billion. Think about that. And the growth rate in the industry is estimated to be about 7.5% year over year until 2020, and I can only imagine that it's going to be bigger than that. So it is the largest, you see the largest growth in tourism, in wellness tourism. More and more people are looking for healthy vacations, and so it's, it's really -- the time is now. In my consulting business, I'm business down right and left because people really want -- the big brands are really wanting more wellness. And so what is that?

If we look at what wellness hospitality means, it means taking the best of preventive health services, mixing them with spa treatments, working on your fitness and movement, eating healthy clean food that helps you sustain and build health. It's the adventure pieces that help you expand your mind and work right at the edge for growth. It's the personal growth with art and culture. It's learning about -- taking the, the wisdom from local areas, the authentic wisdom that exists in a location, and trying to harvest and use those ideas, and learn from our elders, and then of course, mixed with excellence in hospitality. So again I feel very blessed that I'm working on this project.

So, and then to contrast, just to, you know, give a little bit of background about what do we mean, you know, what is this and that. And I don't think it's this versus that. I think Lanai is going to be lucky and that you're going to have both. Some travelers, a typical traveler at a luxury resort is looking for indulgence. They want to take a break, they want to eat, you know, the steak and frits. Where the wellness traveler is looking to either sustain their healthy practices and bring them on vacation with them, or learn more about how to embrace health and, and make their lives better. So it's not, again, it's this versus that, it's this and that together, and you have the opportunity here to have both of these complimenting each other, and, you know, using this for the best, the best use of the island and the people. And then I'll just say that, again, I'll circle back to one of my first comments about being lucky to find myself in this industry 30 years ago. I've got to say that being in wellness tourism has really enriched my life personally. It's enriched the lives of my family. And so it's not only for the guests, it really helps the -- the employees embrace health and wellness and bring it home to the families, so I think, it, it circles back around and it makes the whole community healthier. So thank you very much and I'll turn it back to Karlynn.

Ms. Fukuda: Thank you Kristine. So this an overall site plan for the Koele project. The existing entry to the Koele property is going to remain the same here. And, I would like to briefly go through some of the proposed improvements. So we start here with a new conservatory restaurant dining area that's being proposed off the existing lobby building. Next we have a yoga pavilion, and then we have 10 spa treatment hale that are proposed where there will be various spa treatments. It's, it's for treatment only, not for, you know, sleeping in. There's a spa support building which will be, again, for the employees that are working in the spa hale as well as the, you know, the related areas here. We have a new movement studio and fitness facility. The existing fitness facility at Koele will be demolished and replaced. We are also proposing demolition of the existing pool, swimming pool, and the lake feature that's there, and being replaced by freeform pool here, as well as a new lake feature.

There are other supporting buildings that are being proposed. We have mechanical buildings there and here, as well as landscape, recreational facility building. Additionally to this the orchid house that is existing, as well as the green house will be demolished as part of the project improvements.

So as I just shared with you on the site plan, there are 12 main components are being proposed as part of the improvements to the Koele site. I've highlighted all of them there just, you know, through the, the site plan. I would like to note that the number of hotel rooms will be reduced from 102 to 96, a 102 to 96 because rooms within the existing lobby building will be consolidated either for larger suites or will be repurposed for meeting rooms.

So I'd like to just briefly go through the Project District considerations. The site is located within the Koele Project District, Hotel zoned site. The new and replacement structures that are being proposed will be below the project district height restriction of 30 feet. As I mentioned earlier, the site access will continue to be provided off of Keamoku Road. And water use for the new

improvements will be less than the allocation that the Lodge at Koele site has within the Water Use Development Plan for the property.

At this time I'd like to turn the presentation over --. I'm sorry, one more slide. There -- because the Koele, the Lodge at Koele, was an existing site, we would like to note that we don't anticipate negative impacts to the community services, such police, medical, school, and traffic. We don't anticipate negative environmental impacts. The site is not within the SMA area. No landscaping or open space impacts, and no impacts to scenic or historic sites, or long term air or noise impacts, and that there would be positive economic impacts both for employment as well as other economic generations. So at this time I would like to turn the presentation over to Kevin Mendes, from R. M. Towill Corporation to go through some of the engineering information.

Mr. Kevin Mendes: Good evening Commissioners and community members. I hope you can hear me. I'm just going to do a brief report on water demands as well as storm water runoff. So when the hotel was in operation, the actual metered water usage, on average, was about 27,000 gallons per day. With the proposed project, it's about a 9,000, it estimated a 9,000 gallon per day increase. However, the proposed landscape irrigation usage is, is estimated to decrease because of refreshment of the plant material, and downsizing of the actual pond. So all in all, the overall net result is roughly an increase in water demand of about 7,500 gallons per day. And even with that increase, the total water usage proposed for the resort is less than the allocated amount in the Water Use and Development Plan.

So let's talk about storm water. The main Koele Lodge sits in an approximately 31 acre tributary area to Iwiolo Gulch. Yes, there's going to be some increase in runoff due to the proposed impervious surfaces. However considering the, the overall 600 acre tributary to Iwiolo Gulch, the proposed increases are actually very insignificant. And the reason I mention Iwiolo Gulch is because that's, that's the main community impact. That's the gulch that runs through Lanai Avenue and Fraser Avenue.

So...so as part of the design, you know, we're trying to be responsible and incorporate L, I, D principles, sustainability principles, and make sure that we grade into the project low line areas, you know, depressed planters, somewhere rainfall could actually collect and infiltrate into the ground. And, and currently the, the new lake design is, is proposed to accommodate the increase in runoff due to the 100 year storm. So this is an example or an illustration of, of that 31 acre tributary that I was mentioning in, in the blue, so all of this actually goes down into Iwiolo Gulch. What I didn't mention is the red tributary here which is about 13 acres. Yes, there's a slight increase in runoff from that as well, however, there's no impacts because that tributary area is to the open pasture land below the highway. So there's no community impacts there. And that's what I have for storm drainage. I'd like to actually turn this over to John Milander now.

Mr. John Milander: So thank you for having us here to present the project. I just wanted to quickly go over the, the intent of the new structures that are occurring at Koele. So, what, what we developed was, in conjunction with the project team, was two different languages of

buildings. The first is this conservatory garden structure. What we tried to do was work with the language of Koele, the existing lodge, but not try to mimic it or recreate what is currently there. We wanted to really open these spaces up to the landscape. When you're in the existing lodge, there's a tendency to just feel like you're internal, and it doesn't take advantage of the, the landscape and the beauty that's out, out in the, in the backyard.

So this conservatory dining pavilion is around 6,000 square, a 106 seat restaurant, and the idea was to bring the dining that's currently, if you're at Koele in the, the fine dining area and in the lobby, and pull it out into the landscape. We're bringing a water feature actually up and closer to the lodge and so that the dining pavilion looks like and it feels like it sits actually on the lake. Next.

The, again, this, this first language that we developed, sticking with the conservatory structures, the fitness pavilions are, are glass all around in order to -- and, and we have doors on all sides too in order to be able to, when you're working out, to interact with the landscape. Even possibly open the doors on nice days and really feel like you're, you're in the garden.

The next fitness building is the fitness studio, and this is designed for smaller group, fitness classes. So there might be spin classes in, in one side, and the other side would be for private training where you might have an individual lead, lead workout session. And then the middle is the pool restrooms. And you can -- the picture isn't the best but you can, you can see that we're playing off the side and cues of the Koele Lodge, and, and introducing garden elements into the trellis.

On the opposite side of the lake is the yoga pavilion. Again, the same language style; smaller building around 1,000 square feet for yoga classes, yoga and meditation. And then there's also an accessory building next to that, connected by a trellis that will house the restroom for the, the garden area.

The second language that we looked at, working with is, is more of this Japanese style hale. And this is where the actual, this is the 10 buildings on the, on the far side of the property where the treatments would actually occur. And unlike the, the light air concept that we were trying to develop with the conservatory structures, we wanted these hale to feel more Zen and more enveloped with natural materials and textures. So when you, when you're getting a treatment you instantly feel like you're in a different space mentally and, and that should complement the spa routines that are involved there. They all have, they all still open to the landscape and they each have a private garden on the outside. So even though you can open up the doors while you're receiving a treatment you will be, feel that sense of privacy. And Karlynn is going to give us some wrap up comments.

Ms. Fukuda: Thank you John. So this does conclude our presentation. Again, we'll back before you next month for our public hearing on the project, but we wanted to provide the commission with the opportunity to review the project and see if you had any questions on what's being proposed or the wellness center concept. Please keep the materials that the Planning

Department provided to you for tonight's meeting and bring it with you for next month's meeting, if you don't mind, and that's all we have. We're available to answer any questions you have. Thank you.

Mr. Oshiro: The water that's going to be used in the lake, is it going to be drinking or the R1 water that they recycle down the waste water treatment plant?

Ms. Fukuda: Okay, we'll have Kevin Mendes respond.

Mr. Mendes: I believe that's going to be drinking water.

Mr. Oshiro: That's a waste of water because Lanai has got a shortage of water.

Mr. Mendes: Yeah, I, I understand it's, it's the same water that's presently used to replenish the existing.

Mr. Oshiro: No, you don't, you don't understand the situation here on Lanai. The reason why we don't develop anymore is because we have a water shortage.

Mr. Mendes: Right.

Mr. Oshiro: Okay, so if you going put water, drinking water, into a lake that nobody's going in, why not just use the R1 water because the R1 water is supposed to be almost as clear, if not, just as good as drinking water. In fact, you can use the R1 water to drink.

Mr. Mendes: Understood. Okay, we'll, we'll consider that. Thank you.

Mr. Oshiro: No, don't consider it, kind of do it. Cause you know, like I said, Lanai if it wasn't raining, we, we, you know, our water system, we don't have lakes, we don't have rivers, we don't have streams. Okay.

Mr. Mendes: Okay.

Mr. Matsumoto: So just to add to that, that pond that you know today is not some place that you would want to go in to, right? In this new water feature that we're planning, we're hoping that it can be something that people can actually go into if they want to. So it would be like an additional swimming feature.

Mr. Oshiro: I got -- I've got a bunch of questions, but, you know, will we still have access to get to the hale because you can get through the hale through your prestigious nine, that nine hole that comes shooting down the gulch. The road that goes up there, you can hike up to the hale that way. Are we still going to have access to it?

Mr. Matsumoto: Yes. Yes, you'll still be able to go up the, the hale from the same walking path that exists today.

Mr. Oshiro: Okay, you know, like, like when you did the construction at Manele you had all kind of restrictions with the construction workers. I see that the same restrictions are going to apply? Yeah, okay. The other questions I've got is I saw something in there where Maui County says that in 2030, the population here in Lanai is suppose to go 4,961, okay, it's an increase of 1,961. That's, you know, what is going to be increased. The people that coming in are they going to be workers or are they going to be just next residents to the island?

Mr. Matsumoto: So, you know, that's a County projection. That's not our projection. I've always said that, you know, the, the population would only grow organically. It just depends on how many jobs that are going to be available, whether it's us as the employer, or other people become the employer here. So we certainly are not adding 1,000 more jobs here. That's not what you see in this presentation here today. So, so to answer your question, I, I don't have a plan, we do not have a plan that would contribute to reaching that number by 2030.

Mr. Oshiro: Wait, I approached you this question before. Solid Waste, we, I think was it last year that we gave them the 15 year approval or the year before? Anyway, according to the County they say it takes 10 years to get a new solid waste facility. Okay, we gave them 15 years. But if you go down to the harbor, and look off to your right, that ain't, that ain't going last 15 years. So I asked, I asked you one time where, or, you know, where would you plan to put the next site because the gravel quarry cannot be used because as it is, I've been on one flight, we had to ground because we had a bird strike. And anytime they put a solid waste you've got more birds so that gravel pit is in line with the runway. So, you know, I question because if it take 10 years, we pushing like third, you know, we've only got three years and then they got to go find a plan, a 10 year plan, to put this all together, so, you know, where does Pulama plan to put the next solid waste?

Mr. Matsumoto: So that question is better served addressing to the County, Solid Waste Division because I don't know exactly where they would ask us to site the next facility. They've been doing some, some...I don't know what the right term to use, but they've been doing some studies, and I don't know what the outcome is yet. So that would be a question for Solid Waste Division.

Mr. Oshiro: Alright. Oh, for the -- I was going to ask the lady that did the well and fitness, is there any sites in the State of Hawaii that has a spa treatment facility?

Ms. Huffman: Many of the resorts have spa. No, no resort that I'm aware of has this magnitude of, of programming. The only other one that I can think of that comes a little bit close maybe the property in Hana that is called Travaasa that has quite a bit of fitness programming, quite a bit of cultural programming, and a great spa program. And I say that because I was the programmer that did the work there too, so it's a fabulous property if you've ever been there. So

they come a little bit close, but they don't have the whole wellness, the, the more of the in depth nutrition and, and the deep wellness.

Mr. Oshiro: Thank you.

Ms. Huffman: And there's one other thing that I forgot to mention that, that Kurt kind of touched upon and that is the nature of the Koele property. Really, I remember the first time I was there, it really made me feel like I was in a cocoon and a really healing place, and it's an ideal location for this.

Mr. Oshiro: This is just a question I got, okay. What's going to replace the course, the golf course?

Mr. Matsumoto: So our plan is to develop. We're going to be coming back to you to request a change in the designation. We plan to turn it into a park designation and the use would be to convert it into a sculpture garden. So something like this currently doesn't exist in Hawaii. There's places like this on the east coast, New York, Washington DC, Japan. And what it would be is these large outdoor, modern art sculptures and it's actually part of the wellness, the destination experience. So there's a lot of elements that we have outside of the hotel zoning that we plan to introduce to you over the next, hopefully the next few months. But they're all integrated as part of the whole wellness experience.

Mr. Oshiro: And I was looking at your buildings, yeah, you know, come winter months, the temperature can drop to low, low 50's. Are those building going be heated or somehow, you know, because you know if it drops to low 50's it gets pretty cold, yeah.

Mr. Matsumoto: Yeah, good question. So probably I want to bring John Milander back. John, John is the actually the architect so what you were hearing was the description of things from the, the creative person.

Mr. Milander: Thank you. Yes, all of, all of the buildings that we're proposing will be air-conditioned with both heat and cooling. As you know, much of the day, it's a very beautiful temperature to be outside and open up. The, the -- all of the glazing will be low-E glazing and will have shading controls in them also.

Mr. Oshiro: Okay, as for any of the invasive -- not invasive -- but the native Hawaiian type plants, we've got any around Koele project?

Mr. Matsumoto: Yeah. I think the -- there's going to be a lot more native plants that will be introduced into Koele. So, the, the existing landscape has very few actual native plants. And there's going to be quite a lot of changes to the landscaping, and some of it would be introducing, reintroducing natives to the area.

Mr. Steven Sampson: As one of the landscape architects, we've grown. I'm Steven Sampson with Jozu. I'm one of the landscape architects. And to that point, one of the big things that we're looking at Koele is developing a palette of plants than can subsist and be successful on the 30 to 40 inches of rain that are received there a year. So it's sensitive palette but it's one that's very different from what you see down at the beach resort, but more of something that would be in line with the concept for Koele and wellness, and just different shades of plant material in that respect.

Mr. Oshiro: I don't know, but, you know, there's a lot of invasive trees around Koele. The one that I know for a fact is the silver oak because I was, I was on the Big Island and we did burn for this ranch, Kapapala Ranch, and those silver oaks they go up that quick. And so I was wondering if they were going to do away with them or just keep, let them keep growing.

Mr. Sampson: If they're on the property, they'll definitely --. If any are on the, within the resort, they're . . . (inaudible). . .

Mr. Matsumoto: So anything that's in the project would be removed.

Ms. Gima: Commissioners, questions, comments? Go ahead.

Mr. Dela Cruz: I've got some questions as much as for the Planning people, as for the applicant. I guess I'll ask one. Okay, the first one is the, the size of the project area, the applicant application for the Koele project area which identifies parcel one, the hotel, the application shows 24.838 acres. In the copy of the Title 19 I got in the mail, it shows the hotel area as 21.1 acres. So which figure is more correct?

Ms. Fukuda: For our part, I believe the 24 acres came from what the real property tax records show for the TMK, but we can go back and confirm that so --

Mr. Dela Cruz: So the County might be getting more money than they do?

Ms. Fukuda: Quite possibly yes.

Mr. Dela Cruz: Well, thank you. So I'll go with a follow up question. On the size of Lanai itself, as much for the Planning Department, different documents that you sent me, one document shows that the island of Lanai land area is 141.3 square miles, and on another one, on the Lanai Community Plan, on page 1-8, fast facts about Lanai, it shows Lanai is being 140.5 square miles. So, again, which one is more accurate?

Mr. Yoshida: Are you going from the application booklet?

Mr. Dela Cruz: No...well, both. The permit application states that the land area of Lanai is about 141.3 square miles. The Lanai Community Plan on page 1-8, your fast facts about Lanai states

that the island of Lanai size is 140.5 square miles. So what accounts to, to the difference? You might just want to research that and come back next time.

Mr. Yoshida: Yeah, I think we would probably --

Mr. Dela Cruz: Thank you Scott. That's it. Oh, just one more. I think Title 19 implies that all the zoning designations on Lanai are interim.

Mr. Yoshida: Well, unless --. Well, I guess if they're -- they have a specific, they went through a specific zoning change, then they are zoned. And, I think the department went through zoning changes back in the early 2000's to zone the area around Dole Park, the businesses around Dole Park to BCT in a comprehensive manner so that the applicants, previously was interim, would not have to go through that zoning change because commercial uses are not specifically permitted in the interim. And then there are portions of the city that are, went through that 201, I don't know what -- maybe it was C or E, or whatever. It's up to H now, but back in the day, for affordable housing. So, I mean, a portion of the city is under a 201 designation.

Mr. Dela Cruz: So I guess the answer is not all designations on Lanai are interim?

Ms. Aoki: This is Kathleen. I can answer that because this DSSRT project where we're doing the digital zoning map. We looked at Lanai so I just want you to know it's not like Lanai hasn't been touched yet. We're just doing one island at a time, and you do have a lot of interim zoning, but you do have areas that are zoned.

Mr. Dela Cruz: And the reason why I asked is I did not bring my copy with me, but I think on the application for the proposed improvements in Koele, there's an I on the application, on the zoning designation for Koele.

Ms. Aoki: Yeah, I guess Karlynn --

Ms. Fukuda: Karlynn Fukuda. So there is a small portion where the access road is into the Lodge at Koele site that is still interim, but it's a very small portion. The rest of the parcel is Project District Koele, Hotel. I'm not sure how that happened, or why it happened, but that's what the County zoning maps show.

Mr. Dela Cruz: Thank you.

Ms. Gima: I had a couple of questions regarding employment because it is, I guess, proposed that it's going to be positive for employment. So I'm wondering with the reopening of Koele will all the previous Koele employees be back at Koele.

Mr. Matsumoto: So the answer is, is mostly yes, but I'm going ask -- where is Maile or Tom? Maile? Tom? Okay, so maybe you can help me address that question.

Ms. Maile (inaudible): Hi, Maile . . . (inaudible) . . . Yes, so all the Koele employees per the new contract that they're negotiating, all the Koele employees will be -- their seniority will be retained, and they will be brought to their former position. If the position for some reason doesn't exist, then we will find a position that meets their job qualifications.

Ms. Gima: And then how many projected new jobs will there be because that's like a big thing that they're promoting is increased employment opportunities.

Mr. Matsumoto: So the -- there's two different elements, right? So there's part of the hotel that had existed before and most likely that employment is going to be about the same so the overlay of those additional features with the wellness, the spa hale, in your packet, I believe the, the number is 18 additional positions.

Ms. Gima: Those are, I'm assuming, like professional positions because it's for spa facilities?

Mr. Matsumoto: Correct. So there will be -- there are going training that will occur. There's going to be some management people that are going to be put into positions as well. So as, as some of you might know when Manele was closed and Koele was closed, during that time the Four Seasons engaged in a lot of training to create therapists here on Lanai. So they've been working and they've been progressing, and hopefully some of those people will becomes experienced enough that they can be used at Koele and we can train more people. And so that's, hopefully, the progression will work.

Ms. Gima: Okay. So the goal is to keep local employees in these positions and not bring in from the mainland.

Mr. Matsumoto: Right. That would be the preference.

Ms. Gima: Okay. And then just lastly, a comment, I appreciate the workshop because, you know, for those who can see we get this big thing in the mail and it's, it's a lot to digest, so I do appreciate all you folks coming and sharing this, and simplifying it. And then also not -- you know, normally what happens for those of you who don't know when we're voting on an application majority of the time we get this or the document a week before and we're really put under a lot of pressure to review everything thoroughly, so having this workshop was very helpful so we really appreciate it.

Mr. Matsumoto: Great. Thank you.

Ms. Gima: Commissioners? Okay, I am going to open up for public testimony. If there's anyone that wants to provide testimony, ask questions, now is the time. Come on up and state your name for the record please.

Mr. Myles Saruwatari: My name is Myles Saruwatari. Thank you all commission for allowing me

to speak. I just have one question. I noticed that a lot of the buildings you're putting up has a lot of glass. And I know you said they were, you know, more hi-tech and thermal and all this, but are those buildings all going to be air-conditioned? Okay, have you guys checked with Maui County on your power usage for these buildings? I mean, because I, I mean, the other month, I don't know if you guys heard about our power outage, I mean, that was due to the storm, but, you know, we're kind of, we're kind of restricted on power here on the islands. Thank you.

Mr. Matsumoto: So the question was about whether there's adequate power on Lanai, and yes there is adequate power for the additional facilities that are going in.

Ms. Gima: Anyone else? Come on up. Oh, go ahead.

Ms. Alberta de Jetley: My name is Alberta de Jetley and I lived -- was very fortunate to be able to live at Koele with my family for 17 years. So when we first moved to Koele the reservoir was still being, being used. And as time went on it began to deteriorate and the sides were broken down and there wasn't all that much water in it. We didn't really know how deep it was. But over those years migratory ducks came to visit at Koele. And after the reservoir was restored, you know, originally, I believe the reservoir was built in about 1907 so it just breaks my heart when it's now labeled not historical. Because for me the reservoir is one of the last remaining landmarks that we have of the old Lanai Ranch. So it served a purpose, it was functional, and migratory birds did visit it. When it was restored, when the resort was being restored, the, the Koele was being built, a man named Mr. Sato was bought out of retirement. He was 80 years old, and he was brought back to Lanai to oversee the restoration of the reservoir. So at that time the company went out and they got all those beautiful cut rocks that had been hand done way back when, they brought them back up to Koele and they used them to restore the reservoir. So this, this -- you know, I know we have to move on, and I know things change, but if there's any way that the lake could remain as it is because it's so beautiful and it's so historical, and it is the last remaining spot that we have of the old Lanai Ranch. I would hate to see it destroyed.

Ms. Gima: Thank you. Kurt, were you going to respond?

Mr. Matsumoto: So, yeah, thank you Alberta and --. So I'm sure there's more than a few people in this room that remember the reservoir too, climbing over the fence when you weren't suppose to go in there, but the --. So we did go through historic preservation review, and Kepa went through the historic preservation process with them too. And they determined that it wasn't historic because in their research they had found that the reservoir had been rebuilt a couple of times in the past. So with, with that in mind and that knowledge, the plan was to maintain the materials that are there, so like the cut rocks that, that Alberta mentioned. And they would become an integral part of that water feature in the future so it will be visible and it can be pointed out by the staff and they can tell the story about where those rocks came from and the tie to the history. So, you know, thanks to people like Alberta that gave us information, we can pass that on into the future.

Ms. Gima: Thank you. Come on up.

Mr. Reynold "Butch" Gima: Good evening. My name is Butch Gima. I'm going to be talking about several things. One about water, time line, and then the business model of this project. So Kurt and Kevin, can you, will you talk about the water use, and specifically about what Brad brought up, and if any of the sewage treatment affluent will be diverted or will it still be used up at the project district? Keep it in mind that this hasn't come before the Lanai Water Advisory Committee (LWAC) yet, and hopefully it will come before us on June 30th in preparation for the next planning commission meeting.

Mr. Matsumoto: So we do plan on using the R1 water, but in the same way that we have before because even though we're changing the designation from golf to park, we're going into the planning process assuming that the condition of only using R1 will, will remain in place. So we will need that water to continue to irrigate that, what was the golf course before. So in the new use that we have planned, it won't require the same amount of water as a golf course would. So the golf course would have required a lot more water than what the R1 water, than what the sewage treatment plant could supply. So in, in the new life that that whole park is going to have because we're not maintaining it as golf turf a lot of the landscaping features won't require as much water so we can live within the water envelope successfully using the R1 water. But we'll need all of that R1 water up in that new park.

Mr. Gima: And you guys are going to retain the water features of the Experience at Koele?

Mr. Matsumoto: Yes, some of the water features are essentially water features, part of the water irrigation system and some are meant to be part of the runoff capture to slow down the drainage effect. So those water features are going to be maintained. Now there are other water features, mostly on the lower half of the, of the park that are not essential, and currently, we don't have a plan to restore those.

Mr. Gima: Okay. What's the best case scenario on completion of this project?

Mr. Matsumoto: The hotel project, what we hope, is if we receive favorable approval from the commission in next month, we hope we can get the project finished by December of 2018.

Mr. Gima: Okay. One of the reasons I brought this up is that when the first phase of the Manele project was being completed, there was this mad rush to meet the deadline in December and I expressed some concerns at a community meeting that there were some safety issues and efficiency issues because a lot of the workers were being asked to work 60, 70, 80 hours. In fact one electrician worked up to 110 hours. And a lot of -- I shouldn't say a lot -- there were a number of employees, both with Pulama, or the general, or the subcontractors that were using ice. And of course, that's a very big concern for our community and myself working in that field. So may I ask that...that you guys learn from history, and don't push the project because it can contribute to stimulant use that's going to, I think, hurt the project, the image of the project and the community at large.

Mr. Matsumoto: So there's a couple of differences between Manele and Koele so one of the conditions that existed at the time for, for us to push hard and get Manele open was both hotels was closed. And it was a lot of concern in the community, even though we made promises we're going to reopen, we're going to retain jobs, there was a lot of concern and angst within the community about is that really going to happen or not. So, so there was a lot of push for that. But, you know, we don't have that same condition now with Koele. There is going to be urgency to open it. We want to get it back up and running. We would like to have a marketing plan, and we want to be successfully launching the project so we, we have established a time line for that. So that's all part of the planning process. And no developer wants to run into an accelerated schedule. That is the, the thing that just ramps up your cost tremendously. So, we will do whatever we can to avoid having to do that.

Mr. Gima: Okay, thank you. Regarding your business model, is the business model for this project to make it a...project that breaks even or is it in the black based a certain occupancy level or a higher price point like Manele?

Mr. Matsumoto: It's a little of both. So Koele, as I mentioned to you before, was not successful, and part of it was because it was hard to sell it as a premium destination, and, and get the rate that it takes to operate a high quality facility. So, some of the things that I brought up in front of this group before is that it's important to us to try to keep the character of Lanai. And in order to do that, we have to have low density tourism, but tourism that brings in a high dollar value because we're supporting probably as many people in the resorts as you would find in a much larger facility on Maui or Oahu. That is the quality level that Four Seasons is committed to delivery. So it takes a high dollar, plus the high occupancy in order to both of the operations to be successful. But the critical difference this time around, as I've said, is we're going into a different market. We're not coming back just as a hotel. So this is about changing the positioning totally of that hotel. So it's not as simple as just the rate and the occupancy, but a big component is going to be about people are coming for the programming. So when people think about choosing, they're not going to be choosing based on comparing a rate between our hotel, Koele, and a hotel on Maui because it will be apples and oranges. Koele is going to have features that you cannot put together on your own at another property. So that wellness component becomes the driver. That's going to be the most important part about the business model. So that wellness component, that programming, is what is going to drive the occupancy for Koele.

Mr. Gima: That being said, I remember Kurt, when you were the GM, you told me about 60% of your clientele were locals returning, and they appreciated Koele being so different than all of the other resorts in the State of Hawaii. So given what you just said about the occupancy rate and higher price point, how affordable or unaffordable would it be for, not only Lanai residents but Hawaii residents to, to utilize the different part of the new project.

Mr. Matsumoto: So you know everywhere I go in the State people always ask me about Koele, and they don't ask me about Manele. And, and, you know, there's an obvious reason, that's

where everybody's heart is, but -- and I, I have said this to this group before, an operation like a hotel cannot succeed on two nights a week. So, it, it -- there's no hotel that can be successful, catering to a kamaaina market and the only time that you're going to be busy is Friday and Saturday nights. That is, is failure, and that has been what Koele has been for 25 years. We can't repeat the same thing over and expect to get a different result because nothing about what would be invested would change that. This is the game changer. This is really positioning it in a different light. Unfortunately, there's a lot of kamaaina that won't come back for this because they don't want to spend five nights here. They're not coming for a wellness experience. But what we're catering to is going to be a clientele that is looking for this specifically. It's not a comparison, again, between us and another resort in Hawaii. There's going to be a very narrow band of selection, and it's not going to be about another Hawaii destination that we're competing against.

Mr. Gima: Okay, my last question on the business model is when you were developing this concept how much consideration did you give in...trying to keep Lanai residents here, encouraging a career ladder for, for Lanai residents. And I say this in the context of some recent long term Four Seasons Hotel employees that, that have left the island, and in addition to the two surveys. The one by the County of Maui and by Pulama which showed a high percentage of residents saying that they were going to leave the island. Some, some because of housing, some because of the job situation. So I'm hoping this will, will provide an opportunity for Lanai residents to remain on island and, as opposed to what we've been seeing recently.

Mr. Matsumoto: Sure, we, we all share the same sentiment. And even here tonight in this room you can see evidence of that, and what the hotels have meant to Lanai. So like Maile, Randy. You know Randy, basically he grew up at Koele. Now he's in a leadership position down at Manele, you know. Maile was probably a little girl when I was working at Koele, and, and, you know, now she's an important part of the human resources department. There's a lot of other names that I can point to. There's a lot of people who weren't working at the resorts when I was working here, and now I look around and I see a lot of faces that work at the resorts that are children of people who were first opening Koele or were the original workers at Manele. So, you couldn't really say that about pineapple as much, so in the way the hospitality industry has done that. It opens up an avenue for people to either stay and never leave, or to leave and come back. There are people who left recently, and they were seeking career opportunities. And in the hospitality industry that's actually not unusual for people to follow the opportunities, and that's how they get more chances at promotions, more chances at increasing their compensations, broadens their experience, increases their value, and then they could come back again one day. I mean, basically for me that's, that's been the story with my career. I moved almost every 18 months in the first, like, 15 years I was working in the industry. But that's what got me the advancement. If I'd stayed in the same place, I don't think I would have had the same kinds of opportunities. So the point is that having these operations, having them at this caliber as well, it still opens up opportunities for people to go and come back.

Ms. Gima: Anyone else wishing to give public testimony? Alright. I'm going to close public testimony. Commissioners, anything else? Thank you again for the presentation. It was again very helpful.

Mr. Matsumoto: Thank you all, and thank you for your patience sitting through this, and we look forward to bringing this up again next month.

Ms. Gima: Which makes me want to ask a question to Planning Department. The permits that are going to come before us next month, can you talk a little bit about that process? Are we going to be approving or are we going to be making recommendations? Where's -- how does that work?

Mr. Yoshida: The application coming before the Commission next month is for a Phase II Project District Approval of which, if you recall from the orientation, the Commission is the decision maker.

Ms. Gima: Okay, thank you for the clarification. Okay, I know majority of you are going to leave, so Commissioners let's take a five minute break before we move on because everybody's, probably 75% are going to leave this room right now.

(The Lanai Planning Commission recessed at 7:50 p.m. and reconvened at 7:55 p.m.)

G. DIRECTOR'S REPORT

1. Status of the Lanai Planning Commission's recommendations to the Maui County Council regarding B&B's and Short-Term Rentals.

Ms. Gima: Let's get started. Clayton, I was wondering, did you want to do the part one of the orientation workshop or defer that to next time and just go on to the Director's Report?

Mr. Yoshida: I think we could defer that to a future meeting.

Ms. Gima: Okay, that's --

Mr. Yoshida: Under the Director's Report, Item 1, the status of the Commission's recommendation to the Council regarding B&B's and Short-Term rentals, because both ordinances are part of Title 19, these matters come to the various commissions for their recommendation. So say with the short-term rental, it was created through a resolution in 2011 by Councilmember Baisa, so the department came to the commission for their -- commissions -- input in 2011. And that was codified into an ordinance in May of 2012, so we were operating from that. Then that ordinance said that the short-term rental home ordinance had to be reviewed by the department within two years, so in 2014 the department proposed revisions to the short-term rental home ordinance and the bed and breakfast home ordinance, and came to

the Planning Commissions and the Hana Advisory Committee in the summer of 2014. Those were transmitted to the Council, recommendations, in October of 2014. And then the Council dealt with those revisions from November of 2014 to, till May of 2016. Having done that they passed some resolutions for bills for the commission to consider. One was five-year ownership requirement. If you were going to operate a short-term rental home you had to have, had to own it for at least five-years. So you couldn't just kind of turn it around, sell it, and then somebody else could. So that went to the commission in September of 2016 at a special meeting because in the third Wednesday in September of 2016 was when the State had a planning conference on Kauai. So we had it on the fourth Wednesday in September of 2016.

With that was another --. So that was transmitted to the Council with your recommendations. The second resolution called for enforcement for the bed and breakfast homes. And I think it -- and it was dealt with at the same meeting as the five-year ownership requirement. So that was when the commission had additional recommendations. That package has -- will be transmitted to the Council, I believe this week. I guess Gina Flammer whose been our legislative person on the short-term, who was here in 2011 and 2014 and 2016, is leaving the department at the end of this month to kind of go into the private sector. But before she leaves she has a matrix of the various recommendations from the Hana Advisory Committee and the three Planning Commissions. So that will be a matter for the Council to consider in the near future. And she will, as she has done in the past, transmit those recommendation package to the Planning Commissions and the Hana Advisory Committee. So the recommendation from that enforcement bill in September of 2016 are being transmitted to the Council.

Ms. Gima: So that's when we had made the recommendations about like having a cap and changing like the 500 feet notification. I think that's when we had discussed that. Brad, I think you were the only one with me. It sounds about right, right? And so now that it's being transmitted to Council this week, on average how long does it take for Council to review and then pass it?

Mr. Yoshida: Well again, you know, it varies.

Ms. Gima: On average.

Mr. Yoshida: On average, okay, well, I could say when we did the comprehensive revisions in 2014, yeah, we transmitted in the fall of 2014, they approved it May of 2016. So, you know, it could take a while. And also, is, you know, that a high priority for the Council, the Chair of the Committee to which it's assigned. Because the five-year ownership requirement was referred to the Land Use Committee that Bob Carroll chairs. But there's all these land use applications and there's the legislations about amendments to the residential district and --

Ms. Gima: So basically it could take a couple of years.

Mr. Yoshida: Ah --

Ms. Gima: For us to even find out if they even considered our recommendations.

Mr. Yoshida: Yeah, it's where their priority is and then they're also handling this fast track affordable housing project, like Makila Kai, Makila east, and so forth. So, I mean, there's a lot in the Land Use Committee, so it's difficult -- it's difficult to say on average because they're kind of their own time frame, and their prioritization of, you know, when things are brought before your committee for action. But all we could say is that we've transmitted the recommendations of the commissions, and the minutes of the meeting to the Council so they know what the thought process was.

Ms. Gima: What the discussion was. Okay. And then when they do vote to adopt those recommendations, we would then be informed how?

Mr. Yoshida: We transmit copies of the ordinance to the Planning Commissions and to the Hana Advisory Committee because that's a set of rules, or the regulations that we're operating under when it's enacted.

Ms. Gima: Okay. Now, I'm just curious, how often do, or does the County Council really take into consideration the recommendations that Planning Commissions make? I mean, sure, I mean, there could be some real unreasonable recommendations, but like you said, they have our minutes, they kind of will be able to see what our thought process was. I mean, do they really take into consideration our recommendations or is it like, oh, no, we're just --

Mr. Yoshida: I think we -- they do. I mean we, we transmit the whole record. And then Gina puts into a matrix like --

Ms. Gima: Yeah, we've seen Gina's matrix which are pretty awesome.

Mr. Yoshida: Yeah. Maui recommended this, and Lanai recommended this, and Molokai recommended this. So I guess it's up to the Council.

Ms. Gima: So it would be -- so it would be getting to our, our representative, Riki Hokama, to really advocate for these recommendations. I think it's becoming more and more of a concern, and definitely when we talked about it and seen the number of short-term, especially short-term rentals coming up. So, I mean, thank you for the, the follow up on this, and I'm glad it's now being transmitted, and unfortunately now it's just a waiting game.

Mr. Yoshida: Yes. I mean, you can try to lobby your Council representative.

2. Open Lanai Applications Report as distributed by the Planning Department with the agenda.

Ms. Gima: I am. Yeah, okay, thank you for that clarification. I guess this could kind of lead into the Director's Report on -- well, lead into the next item about the open applications. Do you know how many short-term rentals are currently permitted, done the process, they're permitted?

Mr. Yoshida: I think we had it in our power point presentation. Maybe about 10 or so.

Ms. Gima: So 10 currently permitted, and how many pending permits?

Mr. Yoshida: Judging from the open application report --

Ms. Gima: I see one, two, three --

Mr. Yoshida: We have the Casa Lanai, 782 Akahi Place, Hale O Lanai. Three.

Ms. Gima: So three pending, so possibly a total of then 13. And then currently only one bed and breakfast permitted?

Mr. Yoshida: The Maly's, yes.

Ms. Gima: And then any pending B&B?

Mr. Yoshida: No. They don't show up on the open report.

Ms. Gima: Oh, they don't show up. So there is no pending.

Mr. Yoshida: Yes.

Ms. Gima: Okay. So I think we had, and Brad correct me if I'm wrong, I think our recommendation that we had made was to have a cap of like 30 combined, right? So we're kind of almost half way to that cap. Okay.

Mr. Yoshida: So we did circulate the open projects report realizing that the Council recently passed a lot of the zoning change and community plan for the three houses project, and the --. But I guess that should be closed out. So are there any questions?

Ms. Gima: Commissioners, any questions or comments regarding that discussion or the open projects? Okay. Go ahead.

Mr. Dela Cruz: Clarification on the bed and breakfast, they have to serve breakfast, but they can't cook any food.

Mr. Yoshida: The bed and breakfast?

Mr. Dela Cruz: Correct.

Mr. Yoshida: The ones that's permitted?

Mr. Dela Cruz: Any bed and breakfast in Maui County, they have to serve breakfast.

Mr. Yoshida: Yes.

Mr. Dela Cruz: But the way they state, they cannot imitate a restaurant, they cannot cook any food, so they have to serve cold cereal, oranges, and stuff like that.

Mr. Yoshida: Yeah, they're, you know, they have --. Yeah, they basically had to serve like package food, you know, granola bars. Yeah, I mean, they can't serve like ham and eggs or anything like that.

Ms. Gima: So again we're going to have that orientation workshop next month?

Mr. Yoshida: When we can fit it in. The primary item that you have next month --

Ms. Gima: -- was the application for Koele.

Mr. Yoshida: Yeah, the Four Seasons at Koele.

Ms. Gima: Okay. I'm going to open up public testimony if there's anyone that wants to provide testimony. Come on up and state your name for the record please.

Ms. Sherri Williams: Hello? Hello. Sherri Williams. I'm a resident of Lanai, and I'm a real estate agent. Couple of things, is there an opportunity to see the recommendations that are going before the Council that the Planning Commission has put together?

Mr. Yoshida: Yeah. We could post it on our County, the County website under the department. We have like a hot topics item.

Ms. Williams: Okay. Perfect. So I go into Maui County hot topics? Maui County dot gov.

Mr. Yoshida: Yeah, w, w, w, Maui County dot gov, Planning Department --

Ms. Williams: Planning Department and then hot topics?

Mr. Yoshida: -- hot topics.

Ms. Williams: Okay, that would be very helpful because I have a lot of people asking me questions that currently own or are, you know, leaving the island and want to keep their home.

And there's a shortage of long-term rentals here, but the prices have gotten so high. We're having issues with not only with rental, but also with that issue.

Okay, and secondly, in the current ordinance I guess you call it, Lanai is exempted from property managers needing to have a real estate license. And I believe that, according to David, Mr. Green, who was on it years ago, that came about because at the time there weren't enough real estate agents to propose that stick. However, there aren't any rules or education that these property managers have to follow to take on five, six, seven properties that they manage so they're not --. You know, are they familiar with fair housing act? You know, are they familiar with any of the standard rules about agreements, leases, so on and so forth that you normally get as a relator. So it's just a concern and that's why I kind of wanted to see what had been proposed to see if that was addressed at all. It's, it's something that's a topic of conversation. There's six realtors here now on Lanai, and it's sort of a topic of conversation with us. So, I don't know that it should be changed, I'm just bringing it up.

Mr. Yoshida: I think the difficulty that we had from 2012 in Lanai and Hana was that there weren't realtors that were willing become property managers for these short-term rental home operations. So it was more a request from the community in terms of the 2014 amendments that was passed in 2016.

Ms. Williams: There are other types of education that they could get without getting their real estate license, but they might as well get their license because it covers everything. I just --. And, and in terms of a number of rentals that you guys want to allow, there should possibly also be the number of house, the number rental, vacation rentals that one manager can manage without having a license. It's starting to become sort of an issue for two reasons. It would give other people an opportunity to have, you know, increase their business that are already doing it, especially if they're licensed. And, and the other is just from a standpoint of making sure that everybody has a good experience when they come to Lanai because the person that's managing their property is, you know, educated and versed and, and isn't too stressed out or stretched out. And there's lots of things that, you know, are required when you apply, like you're suppose to have offsite parking. I don't think anybody have offsite parking that has a rental. Well, I shouldn't say anybody, but there's a number of house where that's --. So it's fine that we're exempted. I think that's great because we need affordable rentals so our kamaaina can keep coming and enjoying Lanai, and you know, spending money in the square and we need all that. But by the same token we want them to have a good experience as they used to coming to the Lodge. So, it's just the reason I bring it up. Things have changed since...whatever year that was.

Ms. Gima: Thank you. Anyone else? Alright.

Mr. Ruidas: Stan Ruidas. You know, a lot of this, short-term rentals, you guys gotta watch out because it's not local residents, and that's what the problem is in Maui or all over. I don't know, you guys put one cap, 30, whatever it is. But on the opposite end, you know, we had, when we was doing the community plan and throughout my commission years, short-term rentals, you

know, Lanai got a lot of the hunters coming in and whatever. And it's not like people don't want to be legal. I bring that up. But we talked to Riki Hokama and Don Couch at that time, but he's not here anymore, but I urge you guys to follow up on that because the criteria doesn't meet County standards for Lanai people. And the criteria as far as short-term rentals, as far as, you know, local people doing it because, you know, the process is all, you know, we ask for something unique to the island and the Council, I don't know what they did to our community plan, did something. So, I just want you guys to be aware of it and to look into it, and to watch out for these short-term rentals. Thanks.

Ms. Gima: Thank you. I think that was definitely when we had that discussion was wanting to watch out for, like, an overwhelming amount of now short-term rentals, also taking away from the inventory for long-term rentals for Lanai residents. And then also wanting to relook at the requirements so that for, you know, local people who have been doing this for years to get legal wouldn't cost an arm and leg, and wouldn't, you know, you have to notify certified mail for everyone in 500 feet, and that's, that's a lot of money. And so I think that was, and Brad correct me if I'm wrong, that was our intent when we were looking at this and it's gotten, it's gotten nowhere which, which is unfortunate because now we're starting to really see this increase and like Sherri had talked about, you know, one person managing multiple places and they're --. Now, I think this issue has been way more visible for our community. Yeah, thanks Stan. Anyone else?

Mr. Dela Cruz: Just a comment, a comment on what Stan said.

Ms. Gima: Sure.

Mr. Dela Cruz: You know I think, a reason why maybe some people are doing this illegally is if you operate a B&B or a short-term rental legally your property is no longer exempted from the homeowner's things. So your property tax goes up I don't know how much -- maybe...a lot. Thank you.

3. Agenda Items for the July 19, 2017 Lanai Planning Commission meeting.

Ms. Gima: So I'm going to close public testimony. Clayton, I'll turn it back over to you.

H. NEXT REGULAR MEETING DATE: JULY 19, 2017

Mr. Yoshida: Your next meeting is scheduled for July 19th, four weeks from now, starting at five o'clock, and the primary item is the Phase II Project District application by Pulama Lanai for the Four Seasons Koele improvements. Again, please bring the application booklet with you if you need it. It does cost quite a bit to provide, to replicate, make copies of these things.

Ms. Gima: We're starting five. Is it because you guys are trying to get back on the last flight? Or is that the hope?

Mr. Yoshida: We're just thinking that it will be a longer meeting.

Ms. Gima: Can I just --? I want to make a recommendation as well for next month's meeting when I know we have this Phase II application in front of us. I mean, it was tight in here tonight. I don't know if this is going to be able to come down for next meeting. I anticipate just like when we had the Manele renovations application in front of us where we had well over 100 people that we may need to either, (a), request from the Senior Center that they do open up this side, or (b), have it at another location because I'm going to guess that Four Seasons employees are going to be told to come out and advocate for this, this application. And when you have everyone piled out outside there becomes chatter and conversation and just a whole bunch of distraction so I don't know if you guys can look into those two options. But I have a feeling it is going to be a packed meeting.

Mr. Yoshida: Well, I think a suggestion was brought up that we have a different arrangement because the table occupies a lot of space.

Ms. Gima: Yeah.

Mr. Yoshida: If we had it, we just bring out chairs, I think we could have more seats.

Ms. Gima: But I think we need to open up this side. Can -- is -- are we allowed to do that? Because if we can, and even if we remove the tables --. I mean you were here Clayton when the Manele renovation project and there was a crowd outside. And to be honest I don't like constant side conversations and distraction and laughing, and you know, I think it's disrespectful to whoever is presenting and the commission so, I mean, just something to look into before next month's meeting.

Mr. Yoshida: Yeah, we can, we can look into that.

I. ADJOURNMENT

Ms. Gima: Maybe the old bowling alley or cafeteria. I know we've had cafeteria meetings before, so just a thought. Alright, so if no objections, I'm going to adjourn this meeting and it is now 8:19 p.m. Thank everyone.

There being no further discussion brought forward to the Commission, the meeting was adjourned at approximately 8:19 p.m.

APPROVED 10-04-2017

Respectfully submitted by,

LEILANI A. RAMORAN-QUEMADO
Secretary to Boards and Commissions II

RECORD OF ATTENDANCE

PRESENT:

John Dela Cruz
Kelli Gima, Chair
Caron Green, Vice-Chair
Mililani Martin
Bradford Oshiro
Shirley Samonte

EXCUSED:

Medigale Badillo
Marlene Baltero
Beverly Zigmond

OTHERS:

Clayton I. Yoshida, Planning Program Administrator, Current Planning Division
Kathleen Aoki, Planning Program Administrator, Plan Implementation Division
Jim Buika, Staff Planner, Current Planning Division
Richelle Thomson, Deputy Corporation Counsel (on-call)