

BEFORE THE MAUI PLANNING COMMISSION

COUNTY OF MAUI

STATE OF HAWAII

In The Matter Of The Applications Of)
)
 GWEN OHASHI HIRAGA) **DOCKET NO. SM1 2005/0038**
 on behalf of) **SSV 2005/0005**
)
 ROYAL LAHAINA DEVELOPMENT) (Gwen Ohashi Hiraga, on behalf of
 GROUP) Royal Lahaina Development Group)
)
 To Obtain a Special Management Use) (JH)
 Permit and Shoreline Setback)
 Variance for the Renovation of the)
 Royal Lahaina Resort on)
 Approximately 26.87 Acres of Land)
 at Maui Tax Map Key 4-4-008:007,)
 009 and 013,)
 Ka'anapali, Maui, Hawai'i)

MAUI PLANNING DEPARTMENT'S REPORT
TO THE MAUI PLANNING COMMISSION
AUGUST 8, 2006 MEETING

DEPARTMENT OF PLANNING
COUNTY OF MAUI
250 S. HIGH STREET
WAILUKU, MAUI, HI. 96793

(Special Management Area Use Permit, Shoreline Setback Variance Applications)
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009 and 013,)
Ka'anapali, Maui, Hawai'i)

THE APPLICATION

This matter arises from applications for a Shoreline Setback Variance and a Special Management Area (SMA) Use Permit for the renovation of the Royal Lahaina Resort at Ka'anapali, received on December 1, 2005 and certified as complete and ready for processing by the Department of Public Works and Environmental Management on December 5, 2005. The application was filed pursuant to the Special Management Area (SMA) Rules of the Maui Planning Commission by Ms. Gwen Ohashi Hiraga of Munekiyo and Hiraga, Inc., on behalf of Royal Lahaina Development Group ("Applicant"); on approximately 26.87 acres of land in the State Urban District, situated at Ka'anapali, Island and County of Maui, identified as Maui Tax Map Key Nos. 4-4-008:007 ("Property"). Tax lot 009 is only involved with the project because some portions of the beach access path are located on it.

PURPOSE OF THE APPLICATION

The applicant is requesting a Shoreline Setback Variance and a Special Management Area Use Permit, in order to demolish several existing buildings on the property and to make exterior modifications to the existing twelve (12) story hotel tower and construction of 126 condominium-hotel units, retail building, activity center, lobby, keiki center, water feature,

roads, paths, parking, maintenance facilities, public beach parking and access, trolley stop, tennis/sport courts, golf driving cages, owner services building, and related improvements.

APPLICABLE REGULATIONS

1. Shoreline Setback Variance

Criteria for approval of a shoreline variance is addressed under section § 12-203-15 of Chapter 203, Shoreline Rules for the Maui Planning Commission. This section provides that a shoreline area variance may be granted if the commission finds that the proposed activity is necessary for private improvements which will neither adversely affect beach processes nor artificially fix the shoreline; provided that the commission also finds that hardship will result to the applicant if the improvements are not allowed.

§ 12-203-15(b) provides that an activity may be granted a variance upon grounds of hardship if:

- (1) The applicant would be deprived of reasonable use of the land if required to fully comply with shoreline setback rules;
- (2) The applicant's proposal is due to unique circumstances and does not draw into question the reasonableness of shoreline setback rules; and
- (3) The proposal is the practicable alternative which best conforms to the purpose of the shoreline setback rules.

§ 12-203-15(c) goes on to say that before granting a hardship variance, the commission must determine that the applicant's proposal is a reasonable use of the land considering factors such as shoreline conditions, erosion, surf and flood conditions and the geography of the lot.

§ 12-203-15(d) states that hardship shall not include economic hardship to the applicant; county zoning changes, planned development permits after June 16, 1989; any other permit or approval which may have been issued by the commission; or is a result of actions by the applicant.

§ 12-203-15(e) requires that no variance shall be granted unless appropriate conditions are imposed.

2. Special Management Area

Standards for reviewing a special management area (SMA) application are found under HRS 205A-26 and § 12-202-10 and § 12-202-11 of Chapter 202, Special Management Area (SMA) Rules of the Maui Planning Commission.

In evaluating an action the following factors, but not limited to same, may constitute a significant adverse effect on the environment:

- (A) Involves an irrevocable commitment to loss or destruction of any natural or cultural resources;
- (B) Significantly curtails the range of beneficial uses of the environment;
- (C) Conflicts with the County's or the State's long-term environmental policies or goals;
- (D) Substantially affects the economic or social welfare and activities of the community, County or State;
- (E) Involves substantial secondary impacts, such as population changes and increased effects on public facilities, streets, drainage, sewage, and water systems, and pedestrian walkways;
- (F) In itself has no significant adverse effect but cumulatively has considerable effect upon the environment or involves a commitment for larger actions;
- (G) Substantially affects a rare, threatened, or endangered species of animal or plant, or its habitat;
- (H) Is contrary to the state plan, county's general plan, appropriate community plans, zoning and subdivision ordinances;
- (I) Detrimentially affects air or water quality or ambient noise levels;
- (J) Affects an environmentally sensitive area, such as flood plain, shoreline, tsunami zone, erosion-prone area, geologically hazardous land, estuary, fresh waters or coastal waters;
- (K) Substantially alters natural land forms and existing public views to and along the shoreline; or
- (L) Is contrary to the objectives and policies of chapter 205A, HRS.

The following guidelines shall be used by the Authority in reviewing developments within the special management area:

- (1) All development in the special management area shall be subject to reasonable terms and conditions set forth by the authority to ensure:
 - (A) Adequate access, by dedication or other means, to publicly owned or used beaches, recreation areas, and natural reserves is provided to the extent consistent with sound conservation principles;
 - (B) Adequate and properly located public recreation areas and wildlife preserves are reserved;
 - (C) Provisions are made for solid and liquid waste treatment, disposition, and management which will minimize adverse effects upon special management area resources; and
 - (D) Alterations to existing land forms and vegetation, except crops, and construction of structures shall cause minimum adverse effect to water resources and scenic and recreational amenities and minimum danger of floods, wind damage, storm surge, landslides, erosion, siltation, or failure in the event of earthquake.
- (2) No development shall be approved unless the Authority has first found that:
 - (A) The development will not have any substantial adverse environmental

or ecological effect, except as such adverse effect is minimized to the extent practicable and clearly outweighed by public health, safety, or compelling public interest. Such adverse effects shall include, but not be limited to, the potential cumulative impact of individual developments, each one of which taken in itself might not have a substantial adverse effect, and the elimination of planning options;

(B) The development is consistent with the objectives, policies, and special management area guidelines of this chapter and any guidelines enacted by the legislature; and

(C) That the development is consistent with the county general plan and zoning. Such a finding of consistency does not preclude concurrent processing when a general plan or zoning amendment may also be required.

(3) The Authority shall seek to minimize, where reasonable:

(A) Dredging, filling or otherwise altering any bay, estuary, salt marsh, river mouth, slough, or lagoon;

(B) Any development which would reduce the size of any beach or other area usable for public recreation;

(C) Any development which would reduce or impose restrictions upon public access to tidal and submerged lands, beaches, portions of rivers and streams within the special management areas and the mean high tide line where there is no beach;

(D) Any development which would substantially interfere with or detract from the line of sight toward the sea from the state highway nearest the coast; and

(E) Any development which would adversely affect water quality, existing areas of open water free of visible structures, existing and potential fisheries and fishing grounds, wildlife habitats, or potential or existing agricultural uses of land.

PROCEDURAL MATTERS

1. On December 1, 2005, the applicant submitted a Draft Environmental Assessment (EA) with the Planning Department. On February 14, 2006, the Planning Commission reviewed the Draft EA. On May 23, 2006 the Planning Commission voted to accept the Final EA for the proposal. The Final EA was published in the June 8, 2006, Office of Environmental Quality Commission's Environmental Notice. As of the writing of this report, the Planning Department was not aware of any appeal being filed regarding the acceptance of the Final EA. The 30 day appeal period ended on July 8, 2006.

2. On June 15, 2006, the applicant published a "Notice of Application" and location map in the Maui News notifying the public of the applicant's intent to file the SMA application with the County of Maui. A copy of the Notice of Application and the Affidavit of Publication is on file in the Maui Planning Department.

3. On June 23, 2006, 45 days prior to the hearing, the Maui Planning Department mailed a notice to the applicant and appropriate state and county agencies notifying them of the scheduled public hearing.

4. On July 3, 2006, the applicant mailed a letter of notification and location map to all owners and recorded lessees within 500 ft. of the subject property describing the SMA and Shoreline Setback Variance applications and notifying them of the scheduled hearing date, time and place by either certified or registered mail receipt (return receipt requested for land use amendments). Copies of the letter, location map, list of owners and recorded lessees, certified and registered mail receipts and return receipts (if required) are on file in the Planning Department.

5. On July 7, 2006, a notice of hearing on the application(s) was published in the Maui News, Honolulu Star Bulletin, Garden Island, West Hawaii Today, and the Hawaii Tribune-Herald by the Maui Planning Department.

PROJECT INFORMATION

1. The Property which is approximately 26.87 acres is located makai of the Honoapi'ilani Highway at Tax Map Keys 4-4-008:007, 009 and 013, Ka'anapali, Maui, Hawai'i. (**Exhibit 1**)
2. Land Use Designations --
 - a. State Land Use District -- Urban
 - b. West Maui Community Plan -- Hotel and Open Space (**Exhibit 2**)
 - c. Zoning -- H-M Hotel mauka portion, H-2 Hotel makai portion and A-2 Apartment (two small areas, one in the southwest corner of the property and the other where the access road enters the property.) (**Exhibit 3**)
 - d. Other -- Special Management Area, Floodplain Zones A (along shore) & C, and Tsunami Evacuation Zone. The actual development site appears to be almost entirely outside of Floodplain Zone A but is completely within the Tsunami Evacuation Zone.
3. Adjacent Uses -- (**Exhibit 4**)
 - a. North -- Maui Ka'anapali Villas and Kai Ala Subdivision
 - b. East -- Honoapi'ilani Highway, International Colony Club and Ka'anapali North Golf Course
 - c. South -- Ka'anapali North and South Golf Courses and Maui Eldorado
 - d. West -- Pacific Ocean
4. The Royal Lahaina Resort is currently comprised of a twelve (12) story hotel tower consisting of 344 units, a three (3) story hotel tower consisting of 65 units, twenty-nine (29) cottages consisting of 174 units, retail/restaurant buildings, eleven (11) tennis courts, a luau grounds, and a ballroom. The total number of rooms is 583. However, the resort recently received a Special Management Area exemption for

an interior remodeling of the 12 story tower which included combining some rooms together, that has decreased the number of rooms in the tower from 344 to 330.

Elevations within the site range from approximately 47 feet above mean sea level (msl) near the east property corner of the site, along Honoapi'ilani Highway, to sea level along the west coast.

5. Existing Services

- a. **Water** --The Ka'anapali area in West Maui is served by a private water system owned and operated by Hawaii Water Service Company (HWSC) (formerly Ka'anapali Water Corporation). The Royal Lahaina Resort is currently served by the HWSC water system which provides potable, fire protection, and irrigation water to the resort. Water to the project site is provided via a HWSC 12-inch line which enters the project site from a line located on Kekaa Drive. The 12-inch line is part of a looped system which serves both the Royal Lahaina Resort and the adjacent Maui Ka'anapali Villas complex.

The existing Royal Lahaina Resort facilities are served by a total of seven (7) meters: five (5) potable, one (1) irrigation, and one (1) fire protection. The potable meters, all 4-inch, are located near the Basil Tomatoes Italian Grille restaurant, the tennis stadium, the hotel tower, the luau area, and the laundromat. The 3-inch irrigation meter is also located near the Basil Tomatoes Italian Grille restaurant to provide irrigation water to the landscaped areas surrounding the cottages. The fire protection meter is a 5/8-inch meter to service the hotel tower.

Based on existing uses at the Royal Lahaina Resort, an average daily demand of 215,689 gallons per day (gpd) was calculated for the resort facilities.

- b. **Sewers** – The existing sanitary sewer collection system serving the project site consists of a 15-inch gravity line located within a sewer easement that bisects the project site in a north-south direction. This 15-inch gravity line also serves the Maui Ka'anapali Villas complex north of the project site. The gravity collection system continues south from the project site to a series of wastewater pump stations, identified as Ka'anapali No. 3 Wastewater Pump Station (WWPS No. 3), WWPS No. 1, and WWPS No. 2. This system also provides service to other resorts within the Ka'anapali Resort area. The system is owned and maintained by the County of Maui.

The Lahaina Wastewater Reclamation Facility (LWRF) is located approximately 1.1 miles north of the project site along Honoapi'ilani

Highway. The LWRF total treatment capacity is currently 9.0 million gallons per day (mgd), with 6.0 mgd for secondary treatment and 3.0 mgd for R-1 treatment. Presently, the facility treats about 5.3 mgd of wastewater. Approximately 1.0 mgd of the R-1 treated effluent is used to irrigate the Royal Ka'anapali Golf Courses, the landscaped areas along Honoapi'ilani Highway, and the landscaped median of the Ka'anapali Parkway. The remaining treated effluent (4.3 mgd) is disposed into four (4) injection wells located within the facility. Under the conditions in the U.S. Environmental Protection Agency (EPA) permit, the County is allowed to dispose a maximum flow of 6.7 mgd into the injection wells.

An average sanitary sewer volume of 261,570 gpd is calculated for the existing Royal Lahaina Resort and associated uses.

- c. **Drainage** - The grounds of the existing Royal Lahaina Resort are well maintained with groundcover throughout the site. Drainage for the existing Royal Lahaina Resort site is collected by a system of drain lines, drain inlets, catch basins and storm drain manholes throughout the site. Flow from the site are conveyed to the main drainage system.

The main drainage system serving the Royal Lahaina Resort is located within a utility easement, extending from the east side of the main tower toward approximately the middle of the southern property line.

- d. **Roadways, Curbs, Gutters and Sidewalks** – Access to existing Royal Lahaina Resort from Honoapi'ilani Highway is currently provided via Kekaa Drive. Honoapi'ilani Highway serves as the primary arterial roadway in the region oriented along the West Maui coast and connects to other regional highway systems serving other parts of the island. In the project vicinity, Honoapi'ilani Highway is generally linked to mauka-makai collector roads that serve the surrounding residences, resort areas, agricultural lands, and adjacent commercial areas.

Honoapi'ilani Highway is primarily a two-way, two-lane undivided State highway (Route 30) with a general posted speed limit of 45 miles per hour (mph) in the project vicinity. Honoapi'ilani Highway is the primary arterial in West Maui that is oriented in the north-south direction providing regional access along the coast with other areas of the island. Between Lower Honoapi'ilani Highway and Dickenson Street in Lahaina, Honoapi'ilani functions as a two-way, four-lane, undivided roadway.

Kekaa Drive is primarily a two-lane, two-way roadway generally oriented in the north-south direction. Approximately 730 feet (0.14 mile) south of the project site, a spur of Kekaa Drive heads mauka to connect with Honoapi'ilani Highway while the main roadway continues south to

Ka'anapali Parkway. At the intersection with Honoapi'ilani Highway, Kekaa Drive has one lane that serves right-turn traffic movements only. The northbound approach of the highway at this unsignalized t-intersection has two (2) through lanes and one (1) exclusive left-turn lane while the southbound approach has one (1) through lane and a shared through and right-turn lane.

A Traffic Impact Assessment Report (TIAR) was prepared for the project and is available for review at the Planning Department.

Field investigations were conducted on October 27 and 28, 2004 and May 4 and 5, 2005 at the following study intersections during morning and afternoon peak hours of traffic: Honoapi'ilani Highway and Lower Honoapi'ilani Road, Honoapi'ilani Highway, Puukoolii Road, and Kai Ala Drive, Honoapi'ilani Highway and Kekaa Drive, Honoapi'ilani Highway, Ka'anapali Parkway and Halelo Street, Honoapi'ilani Highway and Leialii Street and Honoapi'ilani Highway, Front Street and Fleming Road. Additionally, traffic data from other reports for proposed developments in the region were also evaluated to ensure that an appropriate existing or baseline condition was used in the traffic analysis.

A summary of the TIAR findings for the two (2) access intersections for the Royal Lahaina Resort (Honoapi'ilani Highway and Kekaa Drive and Honoapi'ilani Highway, Ka'anapali Parkway and Halelo Street) is as follows.

Honoapi'ilani Highway and Kekaa Drive

At the intersection with Kekaa Drive, Honoapi'ilani Highway carries 989 vehicles northbound and 756 vehicles southbound during the AM peak period. During the PM peak period, traffic volumes are higher with 1,338 vehicles traveling northbound and 822 vehicles traveling southbound. The critical movement of the highway approaches is the northbound left-turn traffic movement which operates at LOS "B" during both peak periods of traffic.

The Kekaa Drive approach of the intersection carries 71 vehicles eastbound during the AM peak period. During the PM peak period, the traffic volume is slightly higher with 105 vehicles traveling eastbound. The Kekaa Drive approach of this intersection operates at LOS "C" and LOS "B" during the AM and PM peak periods, respectively. Vehicular queues occasionally on this approach during both peak periods of traffic, these queues would quickly dissipate since gaps in the through traffic stream on the highway are frequently available.

Honoapi'ilani Highway, Ka'anapali Parkway, and Halelo Street

At the intersection with Ka'anapali Parkway and Halelo Street, Honoapi'ilani Highway carries 1,441 vehicles northbound and 1,194 vehicles southbound during the AM peak period. During the PM peak period, traffic volumes are higher with 1,482 vehicles traveling northbound and 1,443 vehicles traveling southbound. The critical movements of the highway approaches are the northbound left-turn and southbound through traffic movements which operate at LOS "D" during both peak periods. The most significant queuing along the highway occurred on the southbound approach with maximum vehicular queue lengths of between 12 and 15 vehicles per lane observed. However, the vehicular queues on the highway were observed to clear the intersection after each traffic signal cycle change during both the AM and PM peak hours of traffic.

The Ka'anapali Parkway approach of the intersection carries 437 vehicles eastbound during the AM peak period. During the PM peak period, the traffic volume is higher with 865 vehicles traveling eastbound. The left-turn and through traffic movement on the Ka'anapali Parkway approach operates at LOS "D" during both peak periods while the right-turn traffic movement operates at LOS "B" during both peak periods. Due to the high volume of turning vehicles on this approach, vehicular queues periodically formed during both peak periods of traffic. However, these vehicular queues were observed to clear the intersection after each traffic signal cycle change during both peak periods.

The westbound approach of the intersection is comprised of Halelo Street. The traffic volumes along this roadway are low during both peak periods with only 20 vehicles on the approach during the AM peak period and only 17 vehicles during the PM peak period.

- e. **Electrical and Communications** -- The existing electrical service to the project site is a 12.47 kV, 3-phase, 4-wire system which comes from the Puukolii substation, located across Honoapi'ilani Highway, above Puukolii Road. The existing distribution line is located underground along Kekaa Drive.

Telephone service to the site and surrounding area is provided by the Hawaiian Telcom trunk system, located on Kekaa Drive. Service enters the project site from the access road and continues through the project site to service hotel and other existing uses.

Cable service for the project site and surrounding area is provided by Oceanic Time Warner Cable from a main underground cable located along Kekaa Drive.

- f. **Parks** -- West Maui is served by numerous recreational facilities offering

diverse opportunities for the region's residents and visitors. There are numerous County and State recreational areas in West Maui. Approximately one-third of the County parks are situated along the shoreline and provide excellent opportunities for picnicking, swimming, diving, and other recreational activities. Popular surfing spots include D.T. Fleming Beach, Honolua Bay, Lahaina Harbor, Shark Pit, and "S" Turns. Ka'anapali Beach is a white sand beach which is approximately 1.0 mile in length and extends from Honokowai Point at the north to Keka'a Point at the south. This beach is a popular recreational area for sunbathing, snorkeling, swimming, and other ocean activities. Kahekili Park, located to the north of the Royal Lahaina Resort, is privately owned and maintained. The park is open to the public and includes restrooms and shower facilities, grassed picnic areas, and a paved parking area. Located between Lots 2 and 3 of the North Beach Subdivision, the 10-acre open space/recreation area currently provides a parking area and shoreline access. No recreational amenities are located within this area. In addition, the Ka'anapali Beach Resort and Kapalua Resort operate world-class golf courses which are available for public use.

- g. **Schools** -- The State Department of Education operates four (4) public schools in the West Maui region. These schools are Lahainaluna High School, Lahaina Intermediate School, King Kamehameha III Elementary School, and Princess Nahienaena Elementary School. These public schools, as well as several privately operated pre-schools, elementary schools, and an intermediate school are located in the towns of Lahaina and Kapalua.
- h. **Solid Waste** -- Residential refuse collection is provided by the County's Solid Waste Division. Private refuse collectors provide solid waste disposal services for commercial and institutional accounts. With the exception of the Hana region, residential and commercial solid waste from throughout the island is transported to the Central Maui Landfill at Puunene, about 30.0 miles to the southeast of the project site.

A refuse transfer station located at Olowalu, approximately 8.0 miles south of the project site, accepts household and green wastes, as well as used oil, for transport to the Central Maui Landfill in Puunene. The disposal of commercial and institutional refuse is not permitted at the Olowalu transfer station.

- i. **Police, Fire, Health & Library Services** -

The project site is within the service area of the Maui Police Department's Lahaina patrol district which services the West Maui region. The Lahaina

Police Station is located in the Lahaina Civic Center complex at Wahikuli, about 2.5 miles to the south of the project site. The Lahaina Station was built in the early 1970s which includes 57 full-time personnel.

Fire prevention, suppression and protection services for the West Maui region are provided by the Department of Fire and Public Safety's Lahaina and Napili Fire Stations. The Lahaina Fire Station is approximately 2.5 miles to the south of the project site, while the Napili Fire Station is located approximately 5.0 miles to the northeast. The Lahaina Fire Station includes an engine and a ladder company, and is staffed by 30 full-time personnel. It also has a boat for ocean rescues. The Napili Fire Station consists of an engine company with 15 full-time firefighting personnel. All firefighting personnel are first-responder trained to provide emergency medical care.

Maui Memorial Medical Center serves as the island's only major medical facility. Located in Wailuku, approximately 25.0 miles southeast of Lahaina; the 196-bed facility provides general, acute, and emergency care services for the island's residents and visitors. In addition, the Kaiser Permanente Medical Clinic, West Maui Healthcare Center, Maui Medical Group, Lahaina Physicians, and other medical and dental offices provide health care services for the region's residents and visitors.

The Lahaina Library is located on Front Street next to the Pioneer Inn Hotel.

HISTORY OF ROYAL LAHAINA RESORT

Construction of the resort was initiated in the 1960's and completed in the early 1970's. The resort has remained basically the same, since then. Essentially, the current owners obtained possession of the resort in 1982.

HISTORY OF PERMITS

1. On April 8, 2005, the Planning Department issued a Shoreline Setback Variance and Special Management Area exemption for interior remodeling and upgrades to the twelve (12) story tower.
2. On February 14, 2006, the Maui Planning Commission reviewed the Draft Environmental Assessment for the subject project, provided comments and concurred with the Planning Department's anticipation of a Finding of No Significant Impact (FONSI).
3. On May 23, 2006, the Maui Planning Commission accepted the Final Environmental Assessment and issued a Finding of No Significant Impact (FONSI).

4. Additionally, the resort has been subject to numerous miscellaneous permits since its inception.

DESCRIPTION OF THE PROJECT (See Exhibit 22)

The revitalization consists of a new master plan with a mixed-use concept made up of a luxury 330-unit hotel and approximately 126 condominium/hotel villas for a total unit count of 456 units, representing a decrease of 127 units. The applicant plans to sell the new condominium/hotel villa units, which are proposed as two to four-bedroom options. The preliminary sale prices for the units are estimated between \$1.5 million to \$7 million. New owners of the condominium/hotel villa units will have the option of utilizing their units as private residences or they may be entered into a rental program and operated as short-term hotel accommodations. Although the applicant will offer rental services for the units, there will be no restriction on rental services, nor will there be a limit to the number of units that can be rented.

Brief descriptions of the major land use elements of the conceptual master plan are presented below.

Demolition

Approximately 239 rooms will be demolished. Demolition within the 150-foot shoreline setback area consists of six (6) 2-story oceanfront cottage buildings (36 guest units), a 1-story restaurant (Don the Beachcomber), a 3-story hotel structure (65 guest units), and a 1-story retail complex and a portion of the Ali'i Ballroom that is used for banquets and meeting space. In addition to those structures, other hardened surfaces that will be demolished in the 150-foot shoreline setback area include, the concrete path near the three-story hotel building, two (2) stages at the luau gardens, the lanai and rock wall that abuts the Ali'i Ballroom, a former shuffleboard court, and concrete slab, located makai of the main hotel pool and several beach access stairs. (The County has proposed these stairs be removed. The applicant is okay with this removal.)

Demolition outside the shoreline setback area includes 24 1- and 2-story cottage buildings (138 guest units), a 1-story restaurant (Basil Tomatoes), 11 existing tennis courts and tennis ranch building, and the existing maintenance and grounds keeping buildings.

A limited asbestos sampling survey was conducted by Vuich Environmental Consultants, Inc. on February 1, 2005 which included samples from the 12-story Lahaina Kai Tower, the 3-story Royal Hale Building and four (4) individual cottages located in the 150-foot shoreline setback area that will be demolished. Presence of asbestos-containing material was confirmed and noted in good condition.

12 Story Tower

Separate from the interior upgrades being undertaken to provide 330 luxury hotel units,

exterior modifications to the 12-story hotel building are proposed. These improvements include new trellis feature on the roof, new metal railings for lanais, new trellis awning to replace the existing covering near pool patio, new decorative finish walls for elevator lobby area and new decorative motif on north-makai corner of hotel structure.

Condominium- Hotel Villas

In addition, new construction of approximately 126 condominium/hotel villas in eight (8) buildings are proposed. Buildings will include a mixture of 2/3-story buildings, 3-story buildings, 3/4-story buildings and a new 4/5-story building. Other improvements include new dining experiences, new spa and activity center, new lobby, new children's ("keiki") center, new water features, new retail building, new "back-of-the-house" facilities, four (4) new tennis/sports courts, new golf driving cages, new owner services building, new beach recreation area, all new infrastructure, and related resort amenities.

Open Space, Trails, Pathways, and Landscaping

The removal of structures within the 150-foot shoreline setback area will help to provide open space along the shore and is anticipated to expand the view corridor to the north of the project site both to and from the shoreline. Other open space areas will be intermingled with the buildings on site.

A pedestrian path will start at the public beach parking area near the entrance to the resort and run along the south property line to the shore. The project will contain a pedestrian path that is parallel to the shoreline, along and/or through the existing naupaka hedge. This parallel path will connect to the public beach access path along the south property line and dead-end at the north property line. There is no path to connect to on the adjacent property to the north. However, future development of the adjacent property could result in providing a path, which would then provide continuous pedestrian access all the way to Kahekili Park.

The 150-foot shoreline setback area will be landscaped to provide for additional "green" area on the resort. All existing trees 12-inches or greater in caliper which are not located within the path of construction, will be considered for preservation in place. However, all trees will be assessed by a certified arborist as to their overall health and whether they can be relocated or not. All trees deemed relocateable will be considered for on-site transplantation.

Parking

The proposal will result in a total of 608 parking spaces in the resort as follows:

- 542 spaces in the underground parking structure (552 if the 10 free valet spaces are counted - see below)
- 20 spaces in detached condo garages
- 20 spaces in uncovered parking areas
- 26 public beach parking, including 16 uncovered stalls and 10 free valet parking stalls in the parking structure.

Development Timetable and Preliminary Costs

It is anticipated that the project will be constructed in four (4) phases to construct the appropriate new infrastructure, minimize disruptions for hotel guests, continue with operations and employment of hotel staff, resources available for construction and to meet market demand.

The first phase is the "entrance and commercial" section which includes the new roadway from the entrance of the property to the new porte cochere for the hotel, Aloha greeter stand, 16 public beach access parking stalls, subterranean parking structure, four (4) tennis/sports courts, activity center, owner services building, general store, maintenance and service building, new trolley stop, new lobby building and the recreational building located on the south end of the property, within the 150-foot shoreline setback.

The second phase includes the infrastructure and construction of the new condominium/hotel units on the "South/Golf" side of the resort, in a mixture of 2/3-story and 3/4 story buildings, which includes approximately 62 units and a new pool feature with barbeque area and restrooms. Related parking improvements include 106 underground parking spaces, 14 covered garage parking spaces and 14 uncovered parking spaces.

The third phase includes the infrastructure and construction of the new condominium/hotel units located in three (3) buildings; consisting of approximately 28 units on the "North/Makai" side, related underground parking, along with the new pools and additional water features.

The fourth phase includes the infrastructure on the "North/Mauka" side of the property and construction of the new condominium/hotel units in a 4/5-story building on the north/mauka side near Honoapiilani Highway, which includes approximately 36 units, as well as a new pool feature and underground parking spaces.

Construction for the Royal Lahaina Resort revitalization project will commence upon receipt of all applicable regulatory permits and approvals. Construction is anticipated to begin in mid-2007. Complete build out of the project (all four (4) phases) is expected to take three (3) years. The total construction cost of the project is estimated at \$300 million.

REVIEWING AGENCIES

County Agencies:

1. Police Department – Comments by memorandums dated January 18, 2006
(Exhibit 5)

2. Parks and Recreation Department - Comments by memorandum dated January 20, 2006 (**Exhibit 6**)
3. Department of Public Works and Environmental Management – Comments by memorandum dated March 2, 2006 (**Exhibit 7**)
4. Department of Water Supply – Comments by letter dated February 7, 2006 (**Exhibit 8**)
5. Department of Fire and Public Safety – Comments by letter dated February 15, 2006 (**Exhibit 9**)
6. Department of Housing and Human Concerns – Comments by memorandum dated January 12, 2006 (**Exhibit 10**)
7. Urban Design Review Board - Comments by letter dated April 27, 2006 (**Exhibit 11**)

State Agencies:

8. Department of Health – Comments by letter dated January 23, 2006 (**Exhibit 12**)
9. Office of Hawaiian Affairs – Comments by letter dated January 27, 2006 (**Exhibit 13**)
10. Department of Accounting and General Services – Comments by memorandum dated February 7, 2006 (**Exhibit 14**)
11. Department of Land and Natural Resources – Comments by letter January 25, 2006 (**Exhibit 15**)
12. Department of Transportation – Comments by letter dated February 15, 2006 (**Exhibit 16**)
13. Department of Land and Natural Resources, State Historic Preservation Division – Comments by fax letter dated June 14, 2006 (**Exhibit 17**)
14. Department of Education - Comments by Letter dated February 7, 2006 (**Exhibit 18**)
15. Sea Grant Extension Service, University of Hawai'i - Comment by letter dated February 23, 2006 (**Exhibit 19**)

16. Maui District Land Office, Division of Forestry and Wildlife, and the Engineering Division of the Department of Land and Natural Resources – All had “no comments” by memos dated January 9, 2006
17. The Marine Option Program of the University of Hawai'i at Manoa - Had “no comment” by letter dated February 21, 2006.

Federal Agencies:

18. U.S. Department of Army – Comments by letter dated January 31, 2006 (**Exhibit 20**)
19. U.S. Department of Agriculture, Natural Resources Conservation Service – Had “no comments” by letter dated January 13, 2006

Other Agencies:

20. Maui Electric Company, Inc. – Comments by letter dated January 16, 2006 (**Exhibit 21**)

ANALYSIS

LAND USE

1. **Hawaii State Plan:** The following goals, objectives and policies are applicable to the proposed project.

Goal a: A strong, viable economy characterized by stability, diversity, and growth that enables the fulfillment of the needs and expectations of Hawaii's present and future generations.

Objective and policies for population

Policy (b)(2) Encourage an increase in economic activities and employment opportunities on the neighbor islands consistent with community needs and desires.

Policy (b)(3) Promote increased opportunities for Hawaii's people to pursue their socio-economic aspirations through-out the islands.

Objective and policies for economy - in general

Objective (a)(1) Increased and diversified employment opportunities to

achieve full employment, increased income and job choice, and improved living standards for Hawaii's people.

Objective and policies for the economy - visitor industry

Objective (a) Planning for the State's economy with regard to the visitor industry shall be directed towards the achievement of the objective of a visitor industry that constitutes a major component of steady growth for Hawaii's economy.

Policy (b)(3) Improve the quality of existing visitor destination areas.

Policy (b)(5) Develop the industry in a manner that will continue to provide new job opportunities and steady employment for Hawaii's people.

Priority Guidelines

Economic priority guidelines

Priority guidelines (a)(8) Provide public incentives and encourage private initiative to develop and attract industries which promise long-term growth potentials and which have the following characteristics:

- A. An industry that can take advantage of Hawaii's unique location and available physical and human resources.*
- B. A clean industry that would have minimal adverse effects on Hawaii's environment.*
- C. An industry that is willing to hire and train Hawaii's people to meet the industry's labor needs at all levels of employment.*
- D. An industry that would provide reasonable income and steady employment.*

Priority Guideline (b)(2) Encourage the development and maintenance of well-designed, adequately serviced hotels and resort destination areas which are sensitive to neighboring communities and activities and which provide for adequate shoreline setbacks and beach access.

- 2. State Land Use Designation:** *Per HRS 205, In the establishment of boundaries of urban districts those lands that are now in urban use and a sufficient reserve area for foreseeable urban growth shall be included. Urban districts shall include activities or uses as provided by ordinances or regulations of the county within which the urban district is situated.*

3. **General Plan:** The Maui County General Plan (1990) sets forth broad objectives and policies to help guide the long-range development of the County. As stated in the Maui County Charter, as amended in 2002:

"The General Plan shall indicate desired population and physical development patterns for each island and region within the county; shall address the unique problems and needs of each island and region; shall explain the opportunities and the social, economic, and environmental consequences related to potential developments; and shall set forth the desired sequence, patterns, and characteristics of future developments."

A. Population

Policy a: Manage population growth so that the County's economic growth will be stable and the development of public and private infrastructures will not expand beyond growth limits specified in the appropriate community plans or negatively impact our natural resources.

Policy c: Maintain a balance between resident and visitor population by controlling and regulating growth fo visitor facilities.

- B. Land Use Objective 2: *To use the land within the county for the social and economic benefit of all the County's residents.*

C. Environment

Objective 1: To preserve and protect the county's unique and fragile environmental resources.

Policy a: Preserve for present and future generations the opportunity to experience the natural beauty of the islands.

Policy b: Preserve scenic vistas and natural features.

Objective 2: To use the County's land-based physical and ocean-related coastal resources in a manner consistent with sound environmental planning practice.

Policy a: Preserve, enhance and establish traditional and new environmentally sensitive access opportunities for mountain and ocean resources.

Policy b: Evaluate all land based development relative to its impact on the County's land and ocean ecological resources.

D. Visitor Industry

Objective 1: To encourage exceptional and continuing quality in the development of visitor industry facilities.

Policy a: Limit visitor industry development to those areas identified in the appropriate community plans, and to the development of projects within those areas which are in conformance with the goals and objectives of those plans.

Policy b: Discourage any additional shoreline resort development.

Policy e: Encourage enhancement of existing visitor facilities without substantial increases in room count.

Policy (g) Locate buildings so as to retain scenic vistas.

Objective 3: to ensure that visitor facilities shall not disrupt social pursuits...

Policy c: Encourage developers to minimize urban encroachment of ocean front land by establishing increased shoreline setbacks and by requiring the public dedication of continuous lateral access parallel with the shoreline.

4. **Community Plan:** The West Maui Community Plan designates the property for hotel and open space uses. The following elements are applicable to the project:

Land Use

Goal: An attractive, well-planned community with a mixture of compatible land uses in appropriate areas to accommodate the future needs of residents and visitors in a manner that provides for the stable social and economic well-being of residents and the preservation and enhancement of the region's open space areas and natural environmental resources.

Objectives and Policies for the West Maui Region in General

1. *Protect and enhance the quality of the marine environment.*

10. *Provide and maintain parks and beach access for the present and future needs of residents and visitors. For the areas outside of Lahaina town, establish or expand parks and public shoreline areas...*

Economic Activity

Goal: A diversified economy that provided a range of stable employment opportunities for residents, allows for desired commercial services for the community, and supports the existing visitor and agricultural industries, all in a manner that will enhance both the community's quality of life and the environment.

Objectives and Policies

1. *Promote a diversified economic base which offers long term employment to West Maui residents, and maintains overall stability in economic activities in the areas of:*
 - a. *Visitor accommodations*
 - b. *Visitor-related service/commercial services.*

4. *Maintain a stable and viable visitor industry.*
 - a. *Limit visitor facilities to the existing planned resorts of Ka'anapali and Kapalua as designated on the land use map and coordinate future growth with development of adequate infrastructure capacity and housing for employees.*

Cultural Resources

Ensure that new projects or developments address potential impacts on archaeological, historical and cultural resources and identify all cultural resources located within the project area as part of initial project studies. Further require that all proposed activity adequately mitigate potential adverse impacts on cultural resources.

Urban Design

Goal: An attractive and functionally integrated urban environment that enhances neighborhood character, promotes quality design at the resort destinations of Ka'anapali and Kapalua, defines a unified landscape planting and beautification theme along major public roads and highways, watercourses, and at major public facilities, and recognizes the historic importance and traditions of the region.

2. *Maintain a high level of design quality for West Maui resort destination areas.*

3. *Improve pedestrian and bicycle access within the region.*

4. *Establish, expand and maintain parks, public facilities and public shoreline areas outside of Lahaina town.*

Infrastructure

Goal: Timely and environmentally sound planning, development, and maintenance of infrastructure systems which serve to protect and preserve the safety and health of the region's residents, commuters, and visitors through the provision of clean water, effective waste disposal and efficient transportation systems which meets the needs of the community.

Infrastructure: Solid Waste

Reduce the disposal of solid waste in landfills through expanded recycling programs ...

Drainage

Objectives and Policies

3. *Insure that new developments will not result in adverse flooding conditions for downstream properties by requiring onsite retention facilities for storm water run-off generated by the development.*

Recreation and Open Space

Objectives and Policies

7. *Ensure adequate public access to shoreline areas, including lateral access to establish the continuity of public shorelines.*

5. **Zoning:**

The subject property contains multiple zoning districts: H-M Hotel, H-2 Hotel and A-2 Apartment. Essentially, the property is split with H-M zoning on the mauka portion and H-2 on the makai portion. The A-2 zone is on two small areas, one in the southwest corner of the property and the other where the access road enters the property.

The Hotel district provides for residential, apartment and hotel uses. The Apartment district provides for any use allowed in the residential district. The property is comprised of 1,172,654 sq ft (based on 26.875 acres.) According to the applicant, the property could accommodate 1,612,370 sq ft of density, although Planning Department estimates conclude the allowed density would be 1,521,593 sq ft. The applicant is only proposing a total of 620,465 sq ft of density or 39% (41% by Planning Department estimates) of the

density provided by the zoning districts. The following tables address the applicable zoning regulations:

H-M Hotel District

	Allowed	Proposed
Height (Stories)	6	5
Lot Coverage (Sq. Ft)	145,940 (30%)	124,326 (26%)
Floor Area Ratio (Sq. Ft.)	486,467 (100%)	278,393 (57%)

H-2 Hotel District

	Allowed	Proposed
Height (Stories)	12	4*
Lot Coverage (Sq. Ft)	288,087 (35%)	109,346 (17%)
Floor Area Ratio (Sq. Ft.)	977,516 (150%)	319,146 (33%)

*The existing 12 story tower is proposed to remain.

A-2 Apartment District

	Allowed	Proposed
Height (Stories)	4	4
Lot Coverage (Sq. Ft)	11,386 (35%)	8,178 (25%)
Floor Area Ratio (Sq. Ft.)	29,278 (90%)	22,926 (78%)

6. Shoreline Setback Variance:

- a. Criteria for approval of a shoreline variance is addressed under section § 12-203-15 of Chapter 203, Shoreline Rules for the Maui Planning Commission. This section provides that a shoreline area variance may be granted if the commission finds that the proposed activity is necessary for private improvements which will neither adversely affect beach processes nor artificially fix the shoreline; provided that the commission also finds that hardship will result to the applicant if the improvements are not allowed.

The variance is necessary to demolish several existing buildings within the 150' shoreline setback. The specific buildings are noted above under the Demolition portion of the application. The setback was established after

the hotel was constructed. No new structures are proposed within the 150' setback.

- b. § 12-203-15(b) provides that an activity may be granted a variance upon grounds of hardship if:

(1) The applicant would be deprived of reasonable use of the land if required to fully comply with shoreline setback rules;

Reasonable use of the land would include an ability to upgrade facilities, such as with the proposal.

(2) The applicant's proposal is due to unique circumstances and does not draw into question the reasonableness of shoreline setback rules; and

The circumstances are unique because the variance is for a demolition within the setback, that would result in the new buildings being further from the shoreline. Most setback variances are for requests to construct within the required setback. It is quite reasonable to allow the demolition.

(3) The proposal is the practicable alternative which best conforms to the purpose of the shoreline setback rules.

The proposal would result in the new buildings being further from the shoreline, which is what the setback is intended to achieve.

- c. § 12-203-15(c) goes on to say that before granting a hardship variance, the commission must determine that the applicant's proposal is a reasonable use of the land considering factors such as shoreline conditions, erosion, surf and flood conditions and the geography of the lot.

The proposal is to demolish several buildings that are within the existing setback. Returning the land to open space use is reasonable, considering the shoreline, surf and flood conditions and geography.

- d. § 12-203-15(d) states that hardship shall not include economic hardship to the applicant; county zoning changes, planned development permits after June 16, 1989; any other permit or approval which may have been issued by the commission; or is a result of actions by the applicant.

As noted above, the hardship is not based solely on any of these. It is important to note that the general intent of the shoreline variance is to allow development within the setback area; so the standards become awkward when applied to a demolition request. Not allowing a variance in

this instance would be contrary to the purposes of the shoreline setback regulations because it would prevent removal of the encroaching building.

7. Special Management Area

The subject property is located within the Special Management Area (SMA) of the Island of Maui. The proposed development meets the goals and objectives of Chapter 205A, Hawaii Revised Statutes (HRS) as follows:

a. Recreational Resources

The proposed revitalization project will reduce the number of visitor accommodations available at the resort by 127 units. While hotel and visitor accommodations are exempt from park assessments under Section 18.16.320, Parks and Playgrounds, of the Maui County Code (MCC), early consultation comments from the County of Maui Department of Parks and Recreation (DPR) indicate that an assessment may be sought on condominium units.

The Royal Lahaina Resort currently has 11 tennis courts that are utilized for hotel guests and public usage. The tennis courts receive a reasonable amount of play during the morning and early evenings, however, there is not much play during the middle of the day due to heat. RLDG originally proposed to reduce the number of courts from 11 down to two (2) as part of its initial Draft EA submission. RLDG participated in various meetings including a community meeting on the project held on December 1, 2005, the Draft EA review by the Maui Planning Commission on February 14, 2006, the West Maui Taxpayers Association held on February 23, 2006, and various meetings with the Planning Department and tennis associations. Comments were received concerning the reduction in the number of tennis courts available in West Maui in general, and as such, the applicant modified the project plans to increase the number of tennis courts from the originally planned two (2) courts to four (4) courts. The applicant will also continue to work with the local and national tennis associations and junior tennis groups to continue to allow play on the Royal Lahaina current and proposed tennis courts.

In addition, the applicant met with the Parks and Recreation Department on three (3) separate occasions. The Royal Lahaina project will comply with the parks and recreation fees, in which RLDG has had preliminary discussions to contribute 100 percent of its parks and recreation fees toward the development of a new West Maui Community Tennis Facility. The Department of Parks and Recreation was very supportive of this recommendation and also encouraged RLDG to take the lead and spearhead this new tennis facility. The two (2) current potential sites proposed by the Parks Department are the Lahaina Civic Center and the Waiee Community. At the site visit on July 10, 2006, the applicant stated that the combined parks and housing contribution would equal over \$3 million.

At the West Maui Taxpayers Association meeting on February 23, 2006, the audience was supportive of RLDG as they presented plans for a new tennis facility in West Maui.

The proposed development will improve access to coastal recreational resources with the new beach access trail along the south property line and with the new lateral trail that will run parallel to the shore from the south to the north property lines. The applicant will provide a paved parking lot with 16 spaces for the public beach access located on the southern boundary of the site and will designate ten (10) free valet parking spaces in the parking structure for beach users. Finally, repair to three (3) existing stairways for beach access along the frontage of the project site will also be done.

b. Historic & Cultural Resources

The State Historic Preservation Division (SHPD) has been coordinating with the applicant regarding historic resources. The SHPD requested that a two-phase archaeological inventory survey be conducted for the property.

A first phase archaeological inventory survey report of the project site was prepared in August 2005 by Archeological Services Hawaii, Inc. The report states that the results of the investigation were negative for both surface and subsurface historic properties.

The SHPD stated that an appropriate scope for the second phase will be determined after the first phase is completely reviewed.

For similar projects, in the past the SHPD required additional archaeological monitoring for demolition and construction and recommended that no demolition occur until acceptance of the monitoring plan and that no construction occur until acceptance of the addendum to the survey.

A cultural impact assessment was prepared for the proposed project. The cultural impact assessment utilized historical references and cultural source materials, as well as interviews with long-time employees of the Royal Lahaina Resort to provide an assessment of the project area. Contact was also made with local Native Hawaiian organizations to inquire about cultural resources or practices of the area. While no traditional cultural practices were identified in the area within recent times, the report noted that with the development of the Ka'anapali Resort in the 1960s, traditional fishing and gathering areas were lost. Although no adverse effects to cultural practices were identified with the proposed Royal Lahaina Resort Revitalization, the report further stated that it would be important to provide "access with dignity" and ensure that public access to the beaches are continued with adequate parking.

The cultural impact assessment provided research into the history of the area

through various sources including historical research, contact with Native Hawaiian and community groups and interviews with long-time employees. The assessment concluded that based on the historic information and responses from organizations, that Hawaiian rights related to gathering, access or other customary activities would not be affected and that there would be no direct adverse effect upon cultural practices or beliefs with the proposed revitalization project.

Provided appropriate mitigative measures recommended by the Department of Land and Natural Resources, State Historic Preservation Division are implemented, no adverse impacts on historic resources are anticipated.

c. Scenic and Open Space Resources

The proposed development will slightly alter the existing character of the site from its existing architecturally designed resort. As previously noted, the proposed project calls for the demolition of buildings within the 150-foot shoreline setback area. Included in the demolition is the removal of a three-story building, as well as six (6) two-story structures. The removal of the three-story building will allow for increased views to and from the shoreline from the northern portion of the resort. Further, the removal of the two-story structures from the shoreline setback area will allow for an increase in landscaping around the site and dispersal of buildings to increase views from within the project site. While a new 4/5-story building is planned along the northeastern border of the property, landscaping will be increased to minimize the impact to the views along the Honoapi'ilani Highway. Additionally, the new building will be setback approximately 80 feet from the highway to reduce the visual impact.

The proposed buildings will not reach the maximum height allowed by the zoning and will mostly be setback away from the Honoapi'ilani Highway and will be stepped down towards the ocean to reduce visual impacts. Open space will be retained throughout the site, and enhanced along the shoreline. The buildings will not create a wall that would block the view of the shore from the highway.

d. Coastal Ecosystems

The use of filter inserts in the drain inlets within the parking areas and roadways have been incorporated into the drainage system to mitigate sediment and petroleum products from entering the storm drainage system.

Additionally, it is noted that regular maintenance discharge water and overflow water from the new pools and water features will flow to a drywell. No discharge water from the pools and water features will enter the sanitary sewer or landscaping nor is it anticipated to have an impact on coastal waters.

As already noted above, due to an increase in landscaping on the project site, there will be a decrease in storm water runoff generated by the site.

e. **Economic Uses**

Since the first development in Ka'anapali nearly 50 years ago, the economy of Maui is substantially bolstered by the visitor industry. The significance of the visitor industry is especially evident in West Maui, which has emerged as one of the State's major resort destination areas.

The strengthening of Hawaii's economy in 1999 and 2000 produced a 3 percent growth in employment in 2000. The island of Maui has shown the greatest strength in the economy by growing by 2.4 percent per year from 1998 to 2000. The strongest gains in Maui's employment were in the construction and services sector, which includes hotel employment.

The proposed project will provide an opportunity for economic development and create positive short- and long-term benefits for the local economy. During the construction of the project, expenditures for labor, materials, and services will accrue to the community. Upon completion, the project and the businesses that support the project's operations will contribute to the long-term support of the economy through the contribution of property, income, general excise and transient accommodation taxes, the payment of employee wages, salaries, and benefits, and the purchase of goods and services from local merchants. In addition, visitors and owners will contribute to the economy through the purchases of goods and services during their stay.

f. **Coastal Hazards**

The Federal Emergency Management Agency's Flood Insurance Rate Map (FIRM) shows that the project site is located within several flood zones. The majority of the project site is within Zone C, which is identified as an area of minimal flooding. The western boundary of the project sites is located in Zone A4, except for the shoreline portion of the site which is in Zone V12. Areas designated A1 to A30 are subject to 100-year flood events, while areas designated V1 to V30 are subject to 100-year coastal flood events with velocity hazard (wave action). Within the project site, the base flood elevation for both the A4 and V12 Zones is 10 feet above mean sea level (AMSL).

As indicated by the FIRM and the Maui County Code, portions of the project site situated within Zones A4 and V12 have a base flood elevation of 10 feet AMSL, and are located within the County's special flood hazard area. No structures are proposed or proposed to be renovated within Zone V12.

Coordination with the County Department of Planning will be undertaken prior to the construction of any improvements within the flood hazard area and coastal high hazard area to ensure compliance with applicable flood hazard area development standards (i.e., beach quality sand fill).

The new stairs providing access to the shore will be constructed of wood that should easily be removed if a large storm approaches; or should break apart and not cause extensive damage during a large storm event.

g. Managing Development

The permitting process assures that development is managed. Through this process, agency review has occurred. Finally, the SMA application is being reviewed by the Maui Planning Commission.

h. Public Participation

The SMA permit process involves the notification of nearby property owners. The applicant held a site visit on July 10, 2006 with the Maui Planning Commission, that was published. The Planning Commission will review the application via a public hearing with opportunities for public input.

i. Beach Protection

The proposed development is not anticipated to impact beach processes. All of the new development will be in accordance with the 150' setback, except for three sets of wooden stairs that will provide beach access. Some improvements will occur to existing structures within the setback including the hardscape surrounding the pool that is closest to the 12 story tower; the pool bar and showers.

The proposal will involve some land excavation. It is likely that some sand may be encountered during the excavation. High quality sand is of a premium value in terms of beach restoration. A recent study concluded that the Island of Maui will run out of sand in the near future. If any high quality sand is discovered during excavation it should be transported to a County storage facility if one is available, so it can be used later for beach replenishment.

j. Marine Resources

The applicant will develop a Best Management Practices (BMPs) plan and submit it to the Department of Public Works and Environmental Management (DPWEM) for review and approval. Upon approval, the BMPs will be implemented during demolition and construction activities to minimize any impacts to the shoreline and marine environment. Some of the BMPs to be proposed include the installation of dust and silt screens, sediment traps and stabilized construction entrances and other measures to minimize offsite tracking of sediment by construction vehicles.

Agency regulations, including building permit requirements should protect against adverse impacts to ocean resources.

INFRASTRUCTURE AND PUBLIC FACILITIES AND SERVICES

1. Water

A Preliminary Engineering Report was prepared for the proposed project. An average daily demand of 189,140 gpd was determined for potable water for the revitalization project, based on the Department of Water Supply Water System Standards dated 2002. This average daily demand represents a 12.3 percent decrease compared to the existing demand of 215,689 gpd. The average daily demand for irrigation water is projected at 76,610 gpd for the Revitalization project.

Discussions with the Hawaii Water Service (HWSC) personnel indicate that, at this time, the HWSC system in the area is sufficient with regard to sources, storage, and transmission capacity to support the revitalization project.

Construction of the 126 condominium/hotel units and pool complexes will require relocating the existing 12-inch water main. The new relocated water main will connect to the existing water main in Kekaa Drive near the entrance to the project site and will follow the alignment of the new access road for the revitalization project. The relocated water main will connect back into the water main serving the adjacent Maui Ka'anapali Villas complex.

The potable water system improvements for the project will consist of a new water meter vault, reduced pressure backflow prevention device, and necessary distribution waterline piping to the various site structures.

The fire protection water service laterals for the project site will consist of detector check meters and waterlines extending to the various buildings. The site fire protection system will consist of waterlines extending around the buildings with fire hydrants spaced at 250-foot intervals. The mechanical engineer will verify the need for a fire pump for the 12-story hotel tower and the other buildings during the design phase of the project.

The irrigation water supply for the project is anticipated to be via connection to the relocated water main within the new driveway entry. A separate meter will be installed for the irrigation system.

The Department of Water Supply (DWS) estimated the anticipated increase in water use to be 456,000 gallons per day. The DWS recommended the private system be constructed to Statewide Watersystem Standards. The DWS also recommended water conservation measures, and best management practices (BMP's.);

2. Sewers

Sanitary sewer volumes for the revitalization project were derived using the project's program requirements provided by the architect and generalized simulation of projected demands for similar developments. Line sizes will be determined during the design phase of the project.

An average sanitary sewer volume of 158,800 gpd is projected for the revitalization project, based on County guidelines for wastewater contribution. This projected sewer volume is approximately 39.3 percent lower than the existing volume of 261,570 gpd.

Discussions with Royal Lahaina Resort and County of Maui Wastewater Reclamation Division (WRD) personnel indicate that, at this time, the WRD system in the area is sufficient with regard to the capacity of the gravity sewerlines, sewer pump stations, and treatment plant to support the revitalization. In addition, it should be noted, that the projected wastewater generated by the revitalization would be less than generated under existing conditions.

Construction of the new condominium/hotel villas and pool complexes will require relocation of the existing 15-inch sewer main so that it is clear of the new structures. The relocated sewer main will continue to provide sewer service for the adjacent Maui Ka'anapali Villas Complex. The sewer main easement will also be relocated to match the location of the new line.

Removal of wastewater from the project site is anticipated to be via a connection to the relocated 15-inch gravity sewer main. A new wastewater collection system consisting of new sewer manholes and gravity lines will provide sewer service of the various site structures.

The Department of Public Works and Environmental Management (DPWEM) responded that although wastewater system capacity is currently available, the developer should be informed that wastewater system capacity cannot be ensured until the issuance of the building permit. The DPWEM will also require a number of conditions be met during the grading and building permit processing.

3. Drainage

A Preliminary Drainage Report was prepared for the proposed project. The report concluded that due to an increase in landscaping on the project site, there will be a decrease in storm water runoff generated by the site. As a result of the decrease in stormwater generated by the proposed development, the project's storm drainage plan will not cause any adverse effects to the existing drainage system and thus, the construction of an underground detention basin system is not required. Improvements to the existing onsite storm drainage system are likely to consist of a combination of drain inlets, storm drain manholes and underground piping.

4. Roadways and Sidewalks

A Traffic Impact Assessment Report (TIAR) was prepared for the project. The projected vehicular trips generated by the proposed project were based on the proposed number of units within the project. In addition, traffic generated by the existing Royal Lahaina Resort was subtracted from the future traffic conditions to account for the project site's new unit counts.

The travel forecast for the project utilized a conservative approach of a 2.5 percent annual growth rate, using the Year 2005 as the base year. Other area developments that are anticipated to be completed by the Year 2009 were also taken into consideration. Among the projects that were considered included: Miraval Kapalua, Westin Ka'anapali Ocean Resort Lot 1 and Lot 2, the Villas at Kahana Ridge, Pulelehua and Pioneer Farms Phase I and Phase II. The determined traffic generation was applied to the ambient traffic growth, thus incorporating these additional applicable projects in the baseline traffic conditions. The purpose of including traffic demands from the other developments is to obtain a more realistic traffic forecast model and to ensure that any adverse traffic operational impacts can be properly addressed.

Traffic operations with the project were anticipated to remain similar to existing conditions during both peak periods in Year 2009. The analysis incorporates the developments of other projects with expected build-outs at Year 2009 or earlier.

Traffic generated by the Royal Lahaina Resort is anticipated to decrease under project conditions due to the planned reduction in units, from 583 units to 456, by the proposed project. The projected traffic operations at the study intersections along Honoapi'ilani Highway are expected to be influenced primarily by ambient traffic growth, as well as, project-generated trips from other known developments expected to be completed and operational by Year 2009. As such, the critical traffic movements at all study intersections are expected to continue operating at levels of service similar to Year 2009 without project conditions.

At the request of the Maui Planning Commission, the applicant also had its traffic engineer prepare a supplemental TAR with regards to the anticipated traffic during construction. The contractor estimates that the number of peak construction workers onsite will be approximately 300 to 400 per day. Construction workers will be directed to park onsite, as well as at designated offsite locations where they will be shuttled in to work with construction vans/buses. This measure is being proposed to avoid any excess traffic generation on Honoapi'ilani Highway and Kekaa Drive, as well as to minimize the onsite parking for construction.

5. Electrical and Telephone

The existing electrical service to the project site is a 12.47 kV, 3-phase, 4-wire system which comes from the Puukolii substation, located across Honoapi'ilani Highway, above Puukolii Road. The existing distribution line is located underground along Kekaa Drive.

Based on correspondence with MECO, electrical service is available to service the project site. New underground ductlines for electrical, telephone and internet and cable television service will be extended from the existing underground ductlines along Kekaa Drive.

Due to the reduction of units from the existing Royal Lahaina Resort, the proposed project is not anticipated to place significant demands on electrical, telephone and

cable television services.

Concerns have been expressed by Maui Electric Company, Ltd. (MECO) regarding the existing electrical system at the Royal Lahaina Resort. In particular, the existing switchgear serving the site is outdated and should be upgraded.

No other concerns have been expressed regarding these services.

6. **Schools**

Since owners will be mainly transient visitors, the proposed project is not anticipated to significantly affect existing educational facilities or resources. As is typical in most hotels, employees come from various geographic areas and not necessarily from the West Maui community and it is likely that whatever small impacts on educational facilities occur, they will be dispersed throughout the island.

7. **Solid Waste**

The applicant prepared a Demolition and Solid Waste Management Plan to establish the protocol for the recycling and disposal of the solid waste that will be generated during the renovation of the existing hotel facilities. The Plan will be submitted to the Public Works and Environmental Management for review and approval. Demolished and surplus materials and any other rubbish or debris, estimated at approximately 3,000 to 4,000 tons, as a result of the renovation work, shall be disposed of in accordance with applicable local, State and federal laws and regulations. Additionally, the applicant has initiated communications with not-for-profit agencies to determine if they are interested in receiving any usable materials such as furniture, appliances, plumbing fixtures, etc. Solid waste collection and disposal services for the proposed project will be provided by a commercial waste disposal service. To the extent practicable, waste diversion measures, such as recycling and composting, will be utilized for the operation of the project upon completion.

8. **Public Services**

Neither the Fire Department nor the Police Department expressed concerns with the proposal. The proposed project is not anticipated to affect the capabilities of police and fire services. In addition, the existing operational limits of these services are not expected to be extended or affected.

SOCIO-ECONOMIC IMPACTS

1. **Employment**

The Royal Lahaina revitalization plan incorporates a strategic phasing of development activities for numerous reasons. One of the reasons is that the resort is able to continue operating as a hotel throughout the revitalization process, thus mitigating the effect on the employee count at the property. The employee count will be reduced slightly (estimated at 12 percent to 15 percent) from the current employee count of 330,

however this is projected to be only during the phased redevelopment process.

Further, there are measures in place to address the reduction in employee count during the phased redevelopment and then to retain the current employee count post revitalization. All employees have accrued sick, vacation and personal time, and in many cases, accrued vacation benefits alone amount to approximately 200 hours per employee, especially in the departments that may be most affected during the proposed phased redevelopment process. Therefore, the applicant will recommend to any employees that are affected to use accrued sick, vacation and personal time benefits during the phased redevelopment process. Further, post renovation, the number of employees whose positions were affected during the revitalization process will be allowed the opportunity to work at the property again due to the increased expectations of service delivery (pre-redevelopment = 2 star, and post-redevelopment = 5 star) and enhanced product presentation. It is reasonable to assume that the employee count may increase post-redevelopment, to counts that are higher than 330, based on comparisons with industry standards of similar 4 star and 5 star resort properties. Therefore, it is expected that the phased redevelopment process will be the most advantageous way to mitigate the reduction in employee count and it is also expected that the employee count will, at the very least, remain flat to its current 330 employee count due to the property enhancements and heightened service expectations post-redevelopment.

Since owners will occupy their units on a limited and transient basis, the proposed project is not expected to significantly influence population parameters.

Through direct and indirect job creation and employment, the proposed project will benefit the local community by providing employment opportunities during both the construction and post-development operational phases of the project.

2. Housing

In 2000, West Maui's housing supply in 2000 totaled 10,431 units, representing a 35 percent increase from 1990. West Maui's 2000 housing stock of 10,431 units had a vacancy rate of 42 percent, which was higher than the County-wide rate of 23 percent. West Maui's higher housing vacancy rate stems from units reserved for visitor use and secondary homes of absentee owners. In West Maui, approximately 84 percent of the vacant homes were categorized as seasonal, recreational units. Excluding the vacant recreational units in 2000, there were approximately 704 vacant units in West Maui. In West Maui, 51 percent of the housing is owner-occupied.

Housing values in West Maui (January 2006 through February 2006) were noticeably higher than most of the County-wide housing supply. Whereas recent median home valuation for Maui County was \$692,000.00, West Maui's median was \$1,700,000.00 in Ka'anapali, \$910,000.00 in Lahaina and \$1,137,500.00 in Napili/Honokowai (Realtor Association of Maui, April 2006).

The Royal Lahaina Resort is an existing hotel accommodation, in operation since the early 1960s. It is noted that the proposed revitalization project will reduce the number of units at the resort by 127 units. As previously noted, effect on employment at the resort will be neutral with the revitalization project based on the number of anticipated positions to be retained by Royal Lahaina and the individual creation of jobs through services on the resort such as the spa, restaurants and retail operations. Additionally, the resort will remain open during demolition and construction and the applicant intends to retain as many existing employees as possible. Since existing employees are currently living on Maui, minimal impacts, if any, are anticipated for employee housing needs.

It is also noted that the Royal Lahaina Development Group conducted a survey of its current employees. Approximately 67 percent of their employees reside in West Maui, while approximately 33 percent live in Central, Upcountry or South Maui. The Department of Housing and Human Concerns (DHHC) noted that no employee housing assessment would be sought for Royal Lahaina Resort due to the proposed reduction of units. The applicant held discussions with former Amfac employees or persons who were associated with Amfac during the initial developments of Ka'anapali Resort area and the Royal Lahaina Resort. Based on those conversations with various Amfac representatives, any employee or affordable housing conditions at the time of development were complied with by Amfac.

RLDG received two (2) letters from Department of Housing and Human Concerns, which stated that affordable requirements did not apply to the revitalization project since RLDG is decreasing the unit count from currently 583 units down to 456. Although RLDG has received letters confirming that an affordable housing assessment is not required, the applicant met with and is preparing an affordable housing agreement with the Department of Housing and Human Concerns. During the site visit on July 10, 2006, the applicant stated that the combined parks and housing contribution would be over \$3 million.

ADDITIONAL ENVIRONMENTAL IMPACTS

There will be short term noise and air quality impacts during the construction phases of the project. Best management practices should be incorporated into the project in accordance with Federal, State and County standards. Hours of construction should be limited to mitigate noise impacts.

1. Wetlands

No wetlands have been identified on the site that would be impacted.

2. Endangered Species

No threatened or endangered species were sighted during surveys of the site.

OTHER GOVERNMENTAL APPROVALS

The project was reviewed by the Maui Urban Design Review Board on April 18, 2006. The Board recommended approval of the subject project with recommendations regarding: a determination of the number of public parking spaces; a public welcoming sign at the entrance; the retention of vegetation along the north property line; the vegetation along the south property line not obscure the existing views; a before and after photo montage be presented to the Planning Commission; moving the public pathway closer to the proposed building in the southeast corner of the property; a public lateral beach path be included; and the ballroom be allowed to remain in the setback. (See **Exhibit 11.**)

TESTIMONY

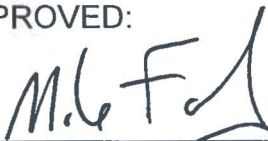
As of July 17, 2006 the Planning Department has received no comments from citizens or organizations other than those already mentioned above.

ALTERNATIVES

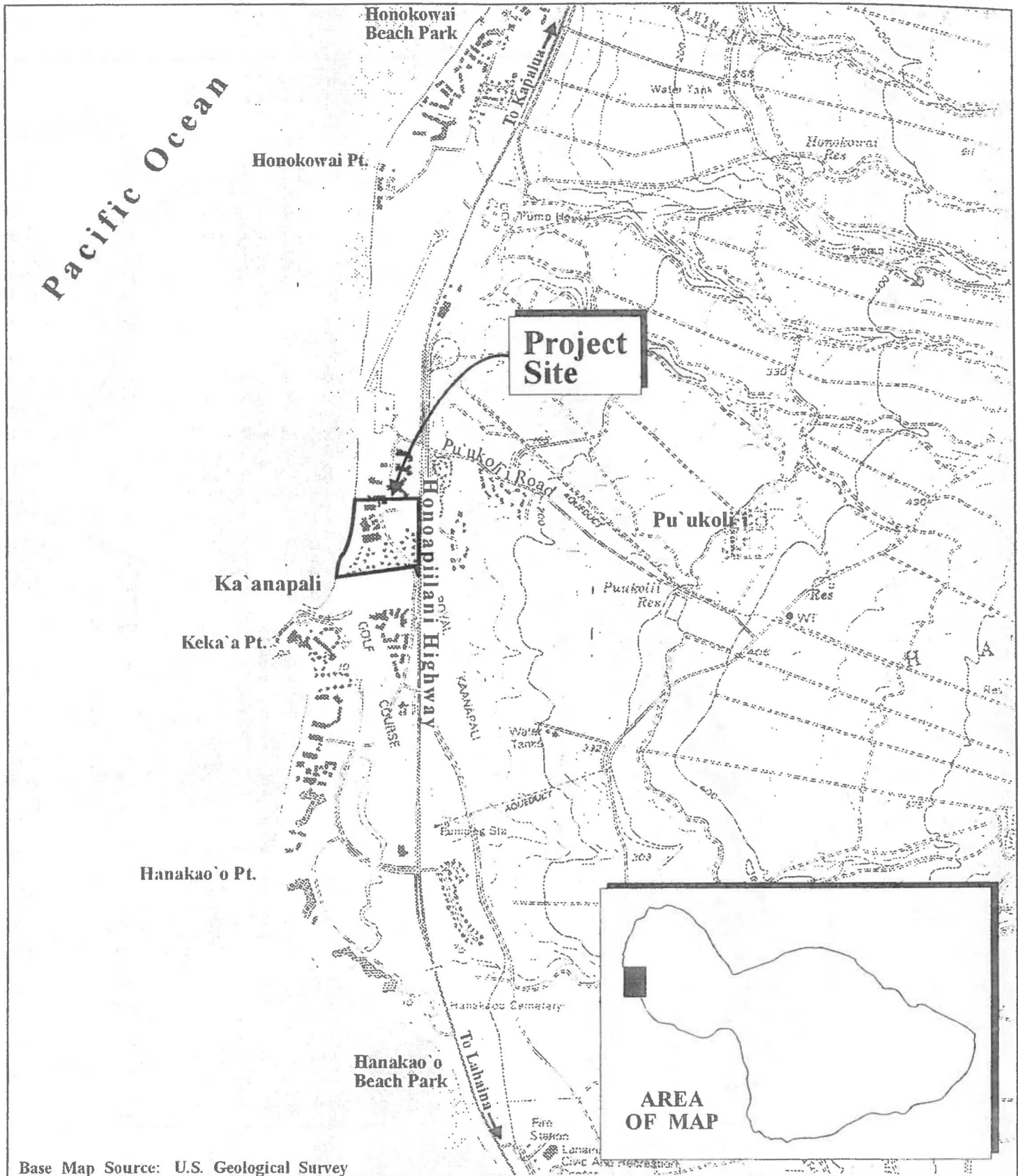
The alternatives available to the Maui Planning Commission are as follows:

1. Deferral. The Commission may defer action to another meeting date in order to obtain additional information that will assist in their deliberation on the request.
2. Approve With No Conditions. The Commission may take action to approve the permit request without imposing any conditions.
3. Approve With Conditions. The Commission may take action to approve the permit request with conditions.
4. Denial. The Commission may take action to deny the permit request.

APPROVED:

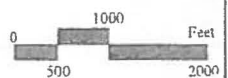


MICHAEL W. FOLEY
Planning Director



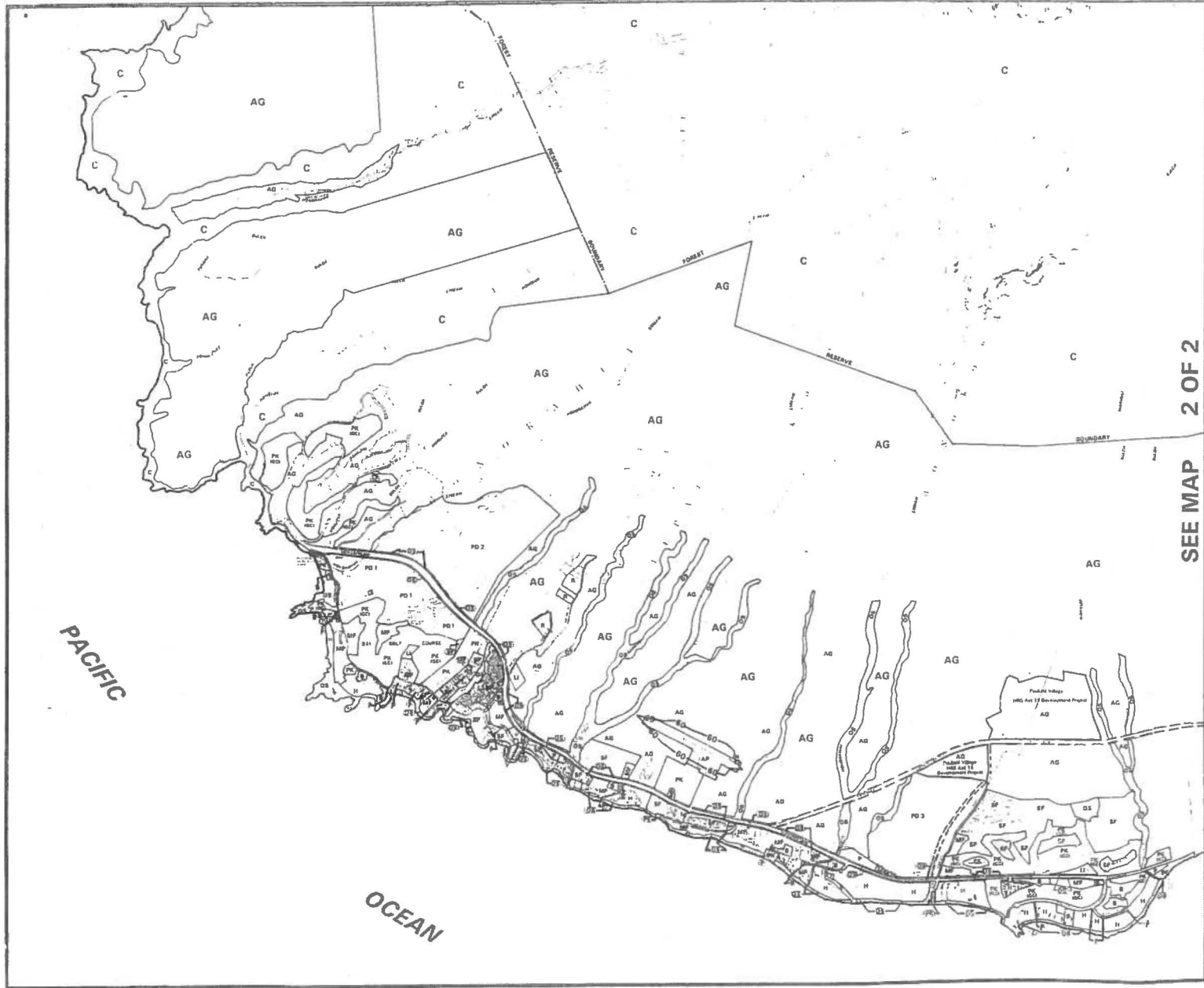
Base Map Source: U.S. Geological Survey

Figure 1 Royal Lahaina Resort Revitalization Regional Location Map



Prepared for: Royal Lahaina Development Group, LLC

MUNICIPALITY OF MAUI
EXHIBIT 1



LEGEND

- SF Single Family Residential
 - MF Multi-Family Residential
 - B Business/Commercial
 - SBR Service Business/Residential
 - BMP Business/Multi-Family
 - HI Heavy Industrial
 - LI Light Industrial
 - H Hotel
 - P Public/Quasi-Public
 - PK Park (GC) Golf Course
 - OS Open Space
 - PD Project District
 - AP Airport
 - AG Agricultural
 - R Rural
 - C Conservation
- 60 — Airport Special Control District

SEE MAP 2 OF 2



MAUI COMMUNITY PLANS
WEST MAUI
LAND USE MAP 1 OF 2

COUNTY OF MAUI

APPROVED: _____ DATE: _____ PUBLIC HEARING: _____
ADOPTED: 2/27/96

APPROVED: _____ DATE: _____ ORDINANCE: 2476
PLANNING DIRECTOR DATE: _____ DATE: _____
REVISOR: _____

SCALE: 1" = 1 MILE

EXHIBIT 2

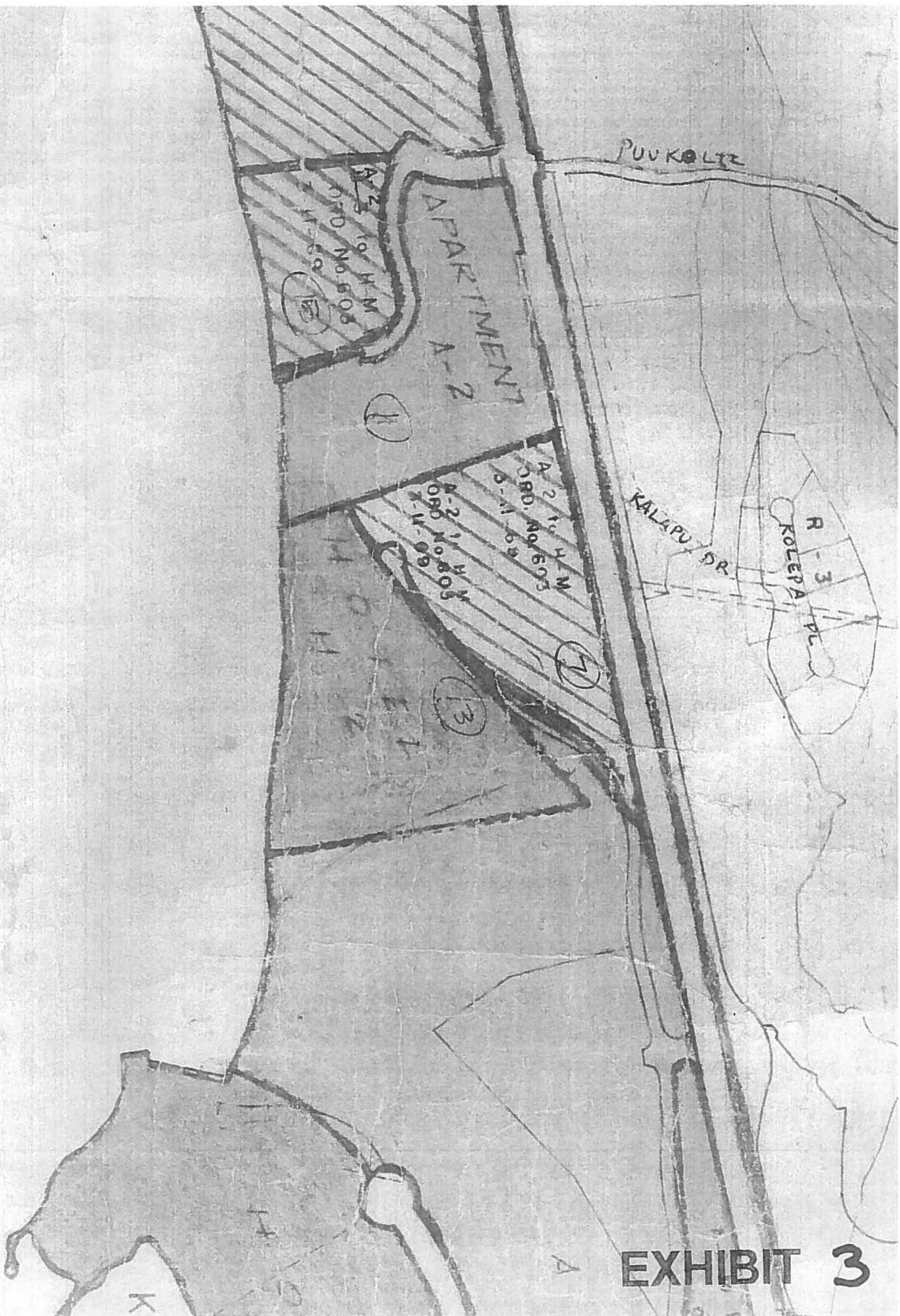
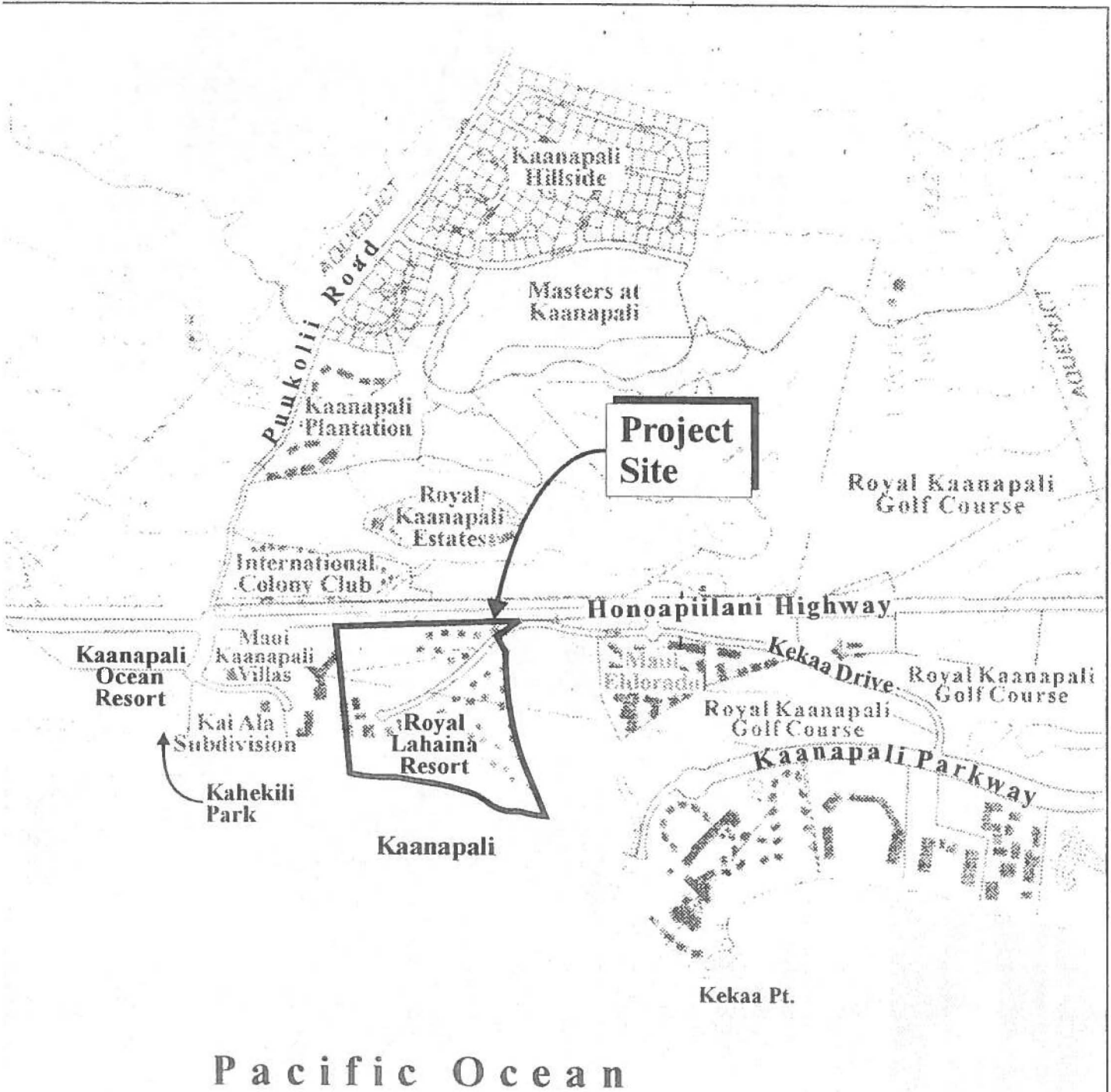


EXHIBIT 3



Source: County of Maui, Department of Planning

Figure 2

Royal Lahaina Resort
Revitalization
Area Location Map

NOT TO SCALE



EXHIBIT 4



ALAN M. ARAKAWA
MAYOR

OUR REFERENCE
YOUR REFERENCE

POLICE DEPARTMENT COUNTY OF MAUI

55 MAHALANI STREET
WAILUKU, HAWAII 96793
(808) 244-6400
FAX (808) 244-6411



THOMAS M. PHILLIPS
CHIEF OF POLICE

KEKUHAPUIO R. AKANA
DEPUTY CHIEF OF POLICE

January 18, 2006

DEPT OF PLANNING
COUNTY OF MAUI
RECEIVED
06 JAN 19 AM 02

MEMORANDUM

TO : MICHAEL W. FOLEY, PLANNING DIRECTOR

FROM : THOMAS M. PHILLIPS, CHIEF OF POLICE

SUBJECT : I.D. : EA 2005/0014; SM1 2005/0038; and SSV 2005/0005

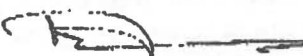
TMK : (2) 4-4-008: 007 and 013

Project Name : Royal Lahaina Resort Revitalization

Applicant : Royal Lahaina Development Group LLC

- No recommendation or comment to offer.
- Refer to enclosed comments and/or recommendations.

As always, thank you for giving us the opportunity to comment on this project.



Assistant Chief Sydney Kikuchi
For: THOMAS M. PHILLIPS
Chief of Police

Enclosure

EXHIBIT 5

COPY

TO : THOMAS M. PHILLIPS, CHIEF OF POLICE, MAUI POLICE DEPARTMENT

VIA : CHANNELS  01/18/06

FROM : SCOTT Y. MIGITA, POLICE OFFICER III, LAHAINA BICYCLE PATROL

SUBJECT: DRAFT ENVIRONMENTAL ASSESSMENT AND APPLICATIONS FOR A SPECIAL MANAGEMENT AREA USE PERMIT AND SHORELINE SETBACK VARIANCE: ROYAL LAHAINA RESORT REVITALIZATION PROJECT

Sir, this To.From is being submitted regarding a proposed revitalization project to the existing Royal Lahaina Resort property. This proposed revitalization will include a decrease in the overall unit count from 583 units to 455 units, representing a decrease of 128 units. A new master plan is proposed as part of this revitalization with a mixed use concept made up of 330 luxury hotel units and 125 new hotel/condominium villas. Other project components include new dining experiences, new spa and activity center, new lobby, water features, roadways and paths, retail, parking structure, infrastructure, and other related resort amenities. The project within the shoreline setback area includes the demolition of a three story hotel structure, six 2-story villas, a one story restaurant, and a portion of the existing Ali'i Ballroom currently used for banquets and meetings. Improvement activities within the shoreline setback area include repair and maintenance to existing structures including existing beach access stairways and landscape improvements. This Draft Environmental Assessment is being submitted by the County of Maui, Department of Planning for comments on behalf of project applicant Royal Lahaina Development Group, LLC and consultant, Munekiyo & Hiraga, Inc.

The subject property is located in the Kaanapali Resort area and is bordered to the north by Maui Kaanapali Villas, to the east by Honoapiilani Highway (#30), to the south by Kaanapali Golf Course, and to the west by the ocean. The main access to the property is via Kekaa Drive.

A Traffic Assessment Report has been prepared for this proposed project (Appendix "H"), where on page 68, concludes that "Traffic operations with the project were anticipated to remain similar to existing conditions during both peak periods in Year 2009". It also states, "Traffic generated by the Royal Lahaina Resort is anticipated to decrease under project conditions due to the planned reduction in units, from 583 units to 455, by the proposed project. The projected traffic operations at the study intersections along Honoapiilani Highway are expected to be influenced primarily by ambient traffic growth, as well as, project-generated trips from other known developments expected to be completed and operational by Year 2009. As such, the critical traffic movements at all study intersections are expected to continue operating at levels of service similar to Year 2009 without project conditions."

Page 2

In conclusion, this project resort area is considered private property and in addition, this section of Honoapiilani Highway is not normally heavily used throughout all hours of the day and evening, therefore, an anticipated overall minimal impact on traffic is expected as a result of the construction and development of this project.

Covered!

[Handwritten signature]
1/12/06 LSI

Covered w/ OFFICERS ASSESSMENT -
A/LT - *[Handwritten signature]* 1/12/06

Covered

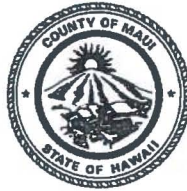
[Handwritten signature] 1/12/06

Respectfully submitted,

[Handwritten signature]

Scott Y. MIGITA, E-1122
P.O. III, Bike Patrol Officer
01/12/2006 at 1353 hours

ALAN M. ARAKAWA
Mayor



GLENN T. CORREA
Director

JOHN L. BUCK III
Deputy Director

DEPARTMENT OF PARKS & RECREATION
700 Hali'a Nakoa Street, Unit 2, Wailuku, Hawaii 96793

(808) 270-7230
Fax (808) 270-7934

MEMORANDUM

January 20, 2006

06 JUN 25 A9:41
DEPT OF PLANNING
COUNTY OF MAUI
RECEIVED

TO: Michael W. Foley, Planning Director

FROM:  Glenn T. Correa, Director

SUBJECT: Royal Lahaina Resort Revitalization Project
TMK: (2) 4-4-008: 007 and 013
Draft Environmental Assessment - EA 2005/0014
Special Management Area Permit Application - SM1 2005/0038
Shoreline Setback Variance - SSV 2005/0005

Thank you for the opportunity to review and comment on the Draft Environmental Assessment, Special Management Area Permit Application, and the Shoreline Setback Variance for the Royal Lahaina Resort Revitalization Project.

At this time we have no additional comments to offer other than those given during the preparation of the draft environmental assessment and included in Chapter X of the application.

Should you have any questions, or need of additional information, please call me, or Patrick Matsui, Chief of Parks Planning & Development at extension 7387.

c: Patrick Matsui, Chief of Parks Planning & Development

EXHIBIT 6

ALAN M. ARAKAWA
Mayor

MILTON M. ARAKAWA, A.I.C.P.
Director

MICHAEL M. MIYAMOTO
Deputy Director

Telephone: (808) 270-7845
Fax: (808) 270-7955



COUNTY OF MAUI
DEPARTMENT OF PUBLIC WORKS AND ENVIRONMENTAL MANAGEMENT
200 SOUTH HIGH STREET, ROOM 322 ANNEX
WAILUKU, MAUI, HAWAII 96798
RECEIVED

RALPH NAGAMINE, L.S., P.E.
Development Services Administration

DAVID TAYLOR, P.E.
Wastewater Reclamation Division

CARY YAMASHITA, P.E.
Engineering Division

BRIAN HASHIRO, P.E.
Highways Division

TRACY TAKAMINE, P.E.
Solid Waste Division

March 2, 2006

MEMO TO: MICHAEL W. FOLEY, PLANNING DIRECTOR

FROM: *Milton M. Arakawa*
MILTON M. ARAKAWA, A.I.C.P., DIRECTOR OF PUBLIC WORKS
AND ENVIRONMENTAL MANAGEMENT

SUBJECT: DRAFT ENVIRONMENTAL ASSESSMENT, SPECIAL MANAGEMENT
AREA USE PERMIT AND SHORELINE SETBACK VARIANCE
ROYAL LAHAINA RESORT REVITALIZATION PROJECT
TMK: (2) 4-4-008:007
EA 2005/0014, SM1 2005/0038, SSV 2005/0005

We reviewed the subject application and have the following comments:

1. Although wastewater system capacity is currently available as of February 21, 2006, the developer should be informed that wastewater system capacity cannot be ensured until the issuance of the building permit.
2. Wastewater contribution calculations are required before building permit is issued. Use water bills to determine the existing discharge. Show a comparison of existing and proposed flows.
3. Developer is not required to pay assessment fees for this area at the current time.
4. Developer is required to fund any necessary off-site improvements to collection system and wastewater pump stations.

EXHIBIT 7

5. All relocated sewer lines must be constructed within a 15 foot wide easement recorded with the Bureau of Conveyances. No trees shall be planted in the easement area. Trees planted within five (5) feet of the easement area shall have root barriers installed.
6. Sewer line size and design must be approved by the Wastewater Reclamation Division (WWRD).
7. Plans should show the installation of a service manhole near the property line prior to connection to the County sewer.
8. Kitchen facilities within the proposed project shall comply with pre-treatment requirements (including grease interceptors, sample boxes, screens, etc.).
9. Non-contact cooling water, condensate, etc. should not drain to the wastewater system.
10. All lines and manholes require vehicular and equipment access for maintenance, construction and repairs.
11. Hold-Harmless Agreement should be executed. Signed agreement required before WWRD will give recommendations for final subdivision approval.
12. Recommend that irrigation system be designed for future connection to the County of Maui's WWRD reclaimed water distribution line. Contact Steve Parabolicoli at WWRD at 270-7420 for further information.
13. The architect and owner are advised that the project is subject to possible tsunami and flood inundation. As such, said project must conform to Ordinance No. 1145, pertaining to flood hazard districts.
14. A verification shall be provided by a Registered Civil Engineer that the grading and runoff water generated by the project will not have an adverse effect on the adjacent and downstream properties.
15. A detailed and final drainage report and a Best Management Practices (BMP) Plan shall be submitted with the grading plans for review and approval prior to issuance of grading permits. The drainage report shall include hydrologic and hydraulic calculations

Memo to Michael W. Foley, Planning Director
March 2, 2006
Page 3

and the schemes for disposal of runoff waters. It must comply with the provisions of the "Rules and Design of Storm Drainage Facilities in the County of Maui" and must provide verification that the grading and runoff water generated by the project will not have an adverse effect on adjacent and downstream properties. The BMP plan shall show the location and details of structural and non-structural measures to control erosion and sedimentation to the maximum extent practicable.

16. During construction of this project, all construction employee parking shall be accommodated on the project site and not within the County road right-of-way.
17. All existing features such as structures, driveways, drainage ways, edge of the pavement, etc. shall be shown on the project plat plan.
18. A detailed final Traffic Impact Assessment Report for the entire development shall be submitted for our review and approval. The report shall also address regional traffic impacts and include assessments from the local community police officer.
19. For all infrastructure that may be dedicated to the County, preliminary construction plan submittal shall include a completed technical assistance review performed by the Disability and Communication Access Board (DCAB) for compliance with the Americans with Disabilities Act Accessibility Guidelines (ADAAG) for all facilities. All technical and structural infeasible assessments shall be the responsibility of the developer and an agreement waiving the County of Maui of any future liability, including redesign and reconstruction, for said facility shall be recorded with the State Bureau of Conveyances.
20. We recommend that the design consultants review Maui County's adopted 1997 Uniform Building Code's exit requirements for all buildings containing more than three (3) dwelling units (R-1 occupancy).

If you have any questions regarding this memorandum, please call Michael Miyamoto at 270-7845.

MMA:MMM:da

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ALAN M. ARAKAWA
Mayor



GEORGE Y. TENGAN
Director

ERIC H. YAMASHIGE, P.E., L.S.
Deputy Director

DEPARTMENT OF WATER SUPPLY
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793-2155
www.mauiwater.org

'06 FEB -9 P2:33

DEPT OF PLANNING,
COUNTY OF MAUI
RECEIVED

February 7, 2006

Ms. Kivette A. Caigoy, Staff Planner
Planning Department
250 South Street
Wailuku, HI 96793

SUBJECT: ID: EA 2005/0014; SM1 2005/0038 & SSV 2005/0005
TMK: (2) 4-4-008:007 & 013
Project Name: Royal Lahaina Resort Revitalization

Dear Ms. Caigoy:

Thank you for the opportunity to review this project proposal.

Source Availability and Consumption

The project site is within DWS service area, however, it is served by a private water company. The applicant proposes to serve the project with the Hawaii Water Service Company wells located in the Honokowai aquifer.

Based on system standards, anticipated increase in water use is about 456,000 gallons. Actual demand depends on intensity of use, water features and occupation factors.

System Infrastructure

DWS does not review or set requirements on projects served by private water systems for domestic and fire protection purposes. However, we recommend that the Planning Department require that water systems be built in accordance with the Statewide Water System Standards as certified by a licensed engineer.

Conservation

We note that native plants will be utilized to the maximum extent for landscaping. Native plants adapted to the area, conserve water and protect the watershed from degradation due to invasive alien species. The project is located in the Maui County Planting Plan - Plant Zones 3 & 5. Attached is a list of appropriate plants for the zones as well as potentially invasive plants to avoid for reference.

"By Water All Things Find Life" **EXHIBIT 8**

Printed on recycled paper



Additional water conservation measures are listed below and should be considered in the project design and construction:

Use brackish and /or reclaimed water sources for dust control and for all non-potable water uses during various phases of construction. Reclaimed water is readily available at the Lahaina Wastewater Reclamation Facility.

Eliminate Single-Pass Cooling: Single-pass, water-cooled systems should be eliminated per Maui County Code Subsection 14.21.20. Although prohibited by code, single-pass water cooling is still manufactured into some models of air conditioners, freezers, and commercial refrigerators.

Utilize Low-Flow Fixtures and Devices: Maui County Code Subsection 16.20A.680 requires the use of low-flow water fixtures and devices in faucets, showerheads, urinals, water closets, and hose bibs. Water conserving washing machines, ice-makers and other units are also available.

Maintain Fixtures to Prevent Leaks: A simple, regular program of repair and maintenance can prevent the loss of hundreds or even thousands of gallons a day. Refer to the attached handout, "The Costly Drip". The applicant should establish a regular maintenance program.

Limit Irrigated Turf: Limit irrigated turf to 25% or less of total landscaped area. Low-water use shrubs and ground covers can be equally attractive and require substantially less water than turf.

Look for Opportunities to Conserve Water: A few examples of these are as follows: When clearing driveways, etc. of debris, use a broom instead of a hose; check for leaks in faucets and toilet tanks.

Pollution Prevention

The project overlies the Honokowai Aquifer which has an estimated sustainable yield of 8 MGD of potable water. In order to protect ground and surface water resources, we recommend that the applicant adopt Best Management Practices (BMPs) designed to minimize infiltration and runoff from demolition, construction and vehicle operations. We ask the applicant to take precautionary measures during demolition and construction to prevent construction materials and debris and eroded soils from entering coastal waters. The following are sample BMPs which should be implemented during building demolition:

- a. Storm drain covers or a similarly effective containment device must be placed on all nearby drains to prevent dirty runoff and loose particles from entering the storm drainage system. Covers must be placed at the beginning of the work day and the accumulated materials collected and disposed before removing the covers at the end of the work day. If storm drains are not present, dikes, berms or other methods must be used to protect overland discharge paths off runoff.
- b. Street gutters, sidewalks, driveways, and other paved surfaces in the immediate area of the demolition must be swept at the end of each work day to collect and properly dispose of loose debris and garbage.
- c. Water should be sprayed throughout the site to help control wind blowing fine materials such as soil, concrete dust, and paint chips. The amount of water must be controlled so that runoff from the site does not occur, yet dust control is achieved.
- d. Schedule demolition to take place at a dry time of the year.

Page 3
Ms. Kivette Caigoy
Royal Lahaina Resort Revitalization
February 7, 2006

Should you have any questions, please call our Water Resources and Planning Division at 244-8550.

Sincerely,



George Y. Fengan
Director
eam

c: engineering division
applicant, with attachments:

The Costly Drip

- Maui County Planting Plan - Plant Zones 3 & 5 - Saving Water in the Yard - What and How to Plant in your Area
- Ordinance No. 2108 - A Bill for an Ordinance Amending Chapter 16.20 of the Maui County Code, Pertaining to the Plumbing Code
- Selected BMP's from "Guidance Specifying Management Measures for Sources of Nonpoint Pollution in Coastal Waters"-EPA
- A Checklist of Water Conservation Ideas for Commercial Buildings
- A Checklist of Water Conservation Ideas for Hotels and Motels
- A Checklist of Water Conservation Ideas for Condominiums

D:\My Documents\WP\Proj Rev\Lahaina Proj\Royal Lah Resort Rev_ EA_SM1_SSV.wpd

ALAN M. ARAKAWA
MAYOR



CARL M. KAUPALOLO
CHIEF

NEAL A. BAL
DEPUTY CHIEF

'06 FEB 15 P4:16

COUNTY OF MAUI
DEPARTMENT OF FIRE AND PUBLIC SAFETY

200 DAIRY ROAD
KAHULUI, MAUI, HAWAII 96732
(808) 270-7561
FAX (808) 270-7919

DEPT OF PLANNING
COUNTY OF MAUI
RECEIVED

February 15, 2006

Ms. Kivette A. Caigoy, Staff Planner
Department of Planning, County of Maui
250 South High Street
Wailuku, Hawaii 96793

**Subject: EA 2005/0014; SM1 2005/0038; and SSV 2005/0005 TMK (2)4-4-008:007 & 013
ROYAL LAHAINA RESORT REVITALIZATION**

Dear Ms. Caigoy,

Thank you for the opportunity to comment on the above subject. We look forward to working with the developer during the building permit and construction process. Please feel free to contact Lieutenant Scott English at 270-7122 if there are any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Valeriano F. Martin".

Valeriano F. Martin
Captain
Fire Prevention Bureau

EXHIBIT 9



DEPARTMENT OF
HOUSING AND HUMAN CONCERNS
 COUNTY OF MAUI

ALAN M. ARAKAWA
 Mayor

ALICE L. LEE
 Director

HERMAN T. ANDAYA
 Deputy Director

200 SOUTH HIGH STREET • WAILUKU, HAWAII 96793 • PHONE (808) 270-7805 • FAX (808) 270-7165

January 12, 2006

DEPT OF PLANNING
 COUNTY OF MAUI
 RECEIVED
 06 JAN 17 AM 10:08

TO: KIVETTE A. CAIGOY, Staff Planner
 Department of Planning

FROM: ALICE L. LEE, Director
 Department of Housing and Human Concerns

SUBJECT: I.D.: EA 2005/0014; SM1 2005/0038 and
 SSV 2005/0005
 TMK: (2)4-4-008:007 AND 013
 PROJECT NAME: ROYAL LAHAINA RESORT REVITALIZATION
 APPLICANT: ROYAL LAHAINA DEVELOPMENT GROUP LLC

We have reviewed the subject project's Draft Environmental Assessment and Applications for a Special Management Area Use Permit and Shoreline Setback Variance and would like to offer the following comments:

1. We have been informed by the applicant's consultant that none of the 455 new units will include "lock-off" units.
2. The revitalization of the project will involve a decrease of 128 units in the overall unit count (583 units to 455 units).
3. Pursuant to Section 2.94.050A, Maui County Code (MCC), the project is excluded from the affordable housing requirements of Chapter 2.94, MCC.

Thank you for the opportunity to comment. We are returning the draft EA and applications for your use.

Attachment
 ETO:hs
 c: Housing Administrator

EXHIBIT 10

ALAN M. ARAKAWA
Mayor

MICHAEL W. FOLEY
Director

WAYNE A. BOTEILHO
Deputy Director



COUNTY OF MAUI
DEPARTMENT OF PLANNING

April 27, 2006

Chair Wayne Hedani
and Members of the Maui Planning Commission
County of Maui
250 South High Street
Wailuku, Hawaii 96793

Dear Chair Hedani and Commission Members:

RE: Urban Design Review Board
Project Name: Royal Lahaina Resort Renovation
TMK: (2) 4-4-008:007
I.D. No.: SM1 2005/0038, SSV 2005/0005

At its regular meeting on April 18, 2006, the Maui Urban Design Review Board (Board) reviewed the design, landscaping, architectural plans, and related aspects of the proposed project referenced above. Based upon those considerations within the Board's purview, it voted to recommend approval of the plan, with the following recommendations:

1. That the Planning Commission determine the number of public parking spaces to be required, including any limitations to free public valet parking. If this determination results in a significant increase in the amount of paved surfaces or has a significant effect on aesthetics, then the Planning Commission will refer the project plans back to the Urban Design Review Board. Any such free valet public parking will be available for the duration of the project, unless amended by the Planning Commission. If no free public valet parking is provided, then the public parking area will be accessible prior to entering the greeting station.
2. That signage should be installed at the entrance to the resort that welcomes the public and informs them that free valet public parking and a public parking lot are available.
3. That vegetation along the northern property line will be retained. And vegetation along the southern portion of the east property line will not obscure existing views towards the ocean.

EXHIBIT //

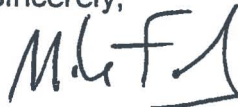
Chair Wayne Hedani
and Members of the Maui Planning Commission
April 27, 2006
Page 2

4. That a 'before and after,' north-to-south photo montage of the site from the highway will be presented to the Planning Commission for their review.
5. That consideration be given to the location of the pathway from the public parking area to the shore, to be moved closer to the proposed building in the southeast corner of the property. And if such pathway is on any adjacent property, an agreement with that property owner will be obtained, assuring public use of the pathway.
6. That a public path, lateral to the beach, shall be developed on the site providing access from the north to the south property boundaries.
7. That the Ali'i Ballroom and its "Hawai'ian Style" roof along with its associated structures should be allowed to remain in order to off-set and lessen the massing of the existing tower.

The Board respectfully requests that its recommendations be considered by the Maui Planning Commission during deliberations on this application at the pertinent Maui Planning Commission meeting.

If additional clarification is required, please contact Mr. Jeff Hunt, AICP, Staff Planner, of this office at jeff.hunt@co.maui.hi.us or 270-6271.

Sincerely,



for

DEMETREOS CALLINICOS, CHAIR
Maui County Urban Design Review Board

MWF:JH:lar

c: Clayton I. Yoshida, AICP, Planning Program Administrator
Karlynn Kawahara, Munekiyo & Hiraga, Inc.
Jeff Hunt, AICP, Staff Planner
UDRB File
Project File
General File

K:\WP_DOCS\PLANNING\SM1\2005\0038_RoyalLahainaRenovation\UDRB_approval.wpd

'06 MAY -9 P3:56

May 9, 2006

DEPT OF PLANNING
COUNTY OF MAUI
RECEIVED

06/843
Michael W. Foley, Director
Department of Planning
250 South High Street
Wailuku, Hawaii 96793

SUBJECT: Urban Design Review Board Comments on Proposed Royal Lahaina Resort Revitalization Project, Located at TMK 4-4-008:007 and 013, Kaanapali, Lahaina, Maui, Hawaii (SM1 2005/0038, SSV 2005/0005)

Dear Mr. Foley:

We are in receipt of your letter dated April 27, 2005 regarding the Urban Design Review Boards (UDRB) comments on the subject project. On behalf of our client, Royal Lahaina Development Group, LLC (RLDG), we would like to offer the following responses to the UDRB comments.

1. Pursuant to our meeting with Planners Jeff Hunt and Kivette Caigoy, RLDG and its architect have reviewed the possibility of additional parking stalls at the public beach parking lot. As a result, four (4) additional stalls can be added to the public beach parking lot at the entrance of the resort, for a total of 16 stalls. Additionally, RLDG is willing to designate 10 additional dedicated public beach access stalls in the parking structure, as well as providing free valet parking to public beach users.
2. RLDG is willing to install signage at the entrance of the resort, at the greeter station, to welcome the public and inform them about the free valet parking lot for beach users, as well as the public beach parking lot.
3. RLDG concurs with the UDRB's comment with regards to the maintaining of existing landscaping along the northern property line. Landscaping along the southern portion of the east boundary will not obscure existing views to the ocean.
4. A photo montage exhibit is being prepared for the Maui Planning Commission's review.
5. RLDG is reviewing the possibility of moving the pathway from the public beach parking lot closer to the southeast corner of the property. RLDG is having its civil engineer review the topography in the area and its architect review the proposed structures for the area. RLDG has an agreement with Kaanapali Golf Course

Michael W. Foley, Director
May 9, 2006
Page 2

(KGC), the neighboring landowner to the south, to jointly develop the pedestrian access which crosses both RLDG and KGC properties.

6. RLDG and its architect have designed a lateral beach access on the site, from its north to south boundaries. This new path has been included in the Final EA for the project.
7. RLDG concurs with the UDRB's comment of maintaining the Ali'i Ballroom and related structures.

Should you have any questions, please feel free to contact me at 244-2015.

Very truly yours,



Karlynn Kawahara
Project Manager

KK:tn

cc: Gary Hogan and Matt Delaney, Royal Lahaina Development Group, LLC
Rob Iopa, WCIT Architecture, Inc.
Michael Fujita, Wilson Okamoto Associates, Inc.
Michael Terry, Belt Collins, Inc.

F:\DATA\RoyalLah\Revital\udrb res.wpd

LINDA LINGLE
GOVERNOR OF HAWAII



CHIYOME L. FUKINO, M. D.,
DIRECTOR OF HEALTH

LORRIN W. PANG, M. D., M. P. H.,
DISTRICT HEALTH OFFICER

06 JAN 24 08:48

STATE OF HAWAII
DEPARTMENT OF HEALTH
MAUI DISTRICT HEALTH OFFICE
54 HIGH STREET
WAILUKU, MAUI, HAWAII 96793-2102

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COUNTY OF MAUI
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January 23, 2006

Mr. Michael W. Foley
Director
Department of Planning
County of Maui
250 South High Street
Wailuku, Hawai'i 96793

Attention: Kivette A. Caigoy

Dear Mr. Foley:

Subject: **Royal Lahaina Resort Revitalization**
TMK: (2) 4-4-008: 007 and 013
EA 2005/0014, SM1 2005/0038 and SSV 2005/0005

Thank you for the opportunity to comment on the proposed project at the Royal Lahaina Resort. In addition to the comments provided during the early consultation process, the following comments are offered:

The wastewater disposal systems for the filter systems of the swimming pools and water features should be designed and operated to prevent any discharges into the ocean.

Should you have any questions, please call me at 808 984-8230.

Sincerely,

Herbert S. Matsubayashi
District Environmental Health Program Chief

EXHIBIT 12



'06 FEB -1 A11:40

STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
711 KAPI'OLANI BOULEVARD, SUITE 508
HONOLULU, HAWAII 96813
DEPT OF PLANNING
COUNTY OF MAUI
RECEIVED

HRD05/1856C

January 27, 2006

Kivette Caigoy, Staff Planner
County of Maui, Department of Planning
250 South High Street
Wailuku, HI 96793

RE: Draft Environmental Assessment for the Proposed Royal Lahaina Resort Revitalization, Lahaina, Maui, TMK (2) 4-4-008: 007 & 013.

Dear Kivette Caigoy,

The Office of Hawaiian Affairs (OHA) is in receipt of your January 10, 2006 request for comment on the above listed proposed project, TMK (2) 4-4-008: 007 & 013. OHA offers the following comments:

Our staff appreciates the applicant's compliance with our staff's recommendations regarding archaeological studies and monitoring, conducting a cultural assessment, honoring native access rights and landscaping with native species. Our office has no further comment at this time.

OHA further requests your assurances that if the project goes forward, should iwi or Native Hawaiian cultural or traditional deposits be found during ground disturbance, work will cease, and the appropriate agencies will be contacted pursuant to applicable law.

Thank you for the opportunity to comment. If you have further questions or concerns, please contact Jesse Yorck at (808) 594-0239 or jessey@oha.org.

'O wau iho nō,

Clyde W. Nāmu'ō
Administrator

CC: Thelma Shimaoka
OHA Community Affairs Coordinator (Maui)
140 Hoohana St., Ste. 206
Kahului, HI 96732

EXHIBIT 13

LINDA LINGLE
GOVERNOR



RUSS K. SAITO
Comptroller

KATHERINE H. THOMASON
Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
SURVEY DIVISION
P.O. BOX 119
HONOLULU, HAWAII 96810-0119

Response Refer to:
Ma-055 (06)

February 7, 2006

MEMORANDUM

TO: Michael W. Foley, Planning Director
Maui County Planning Department

ATTN.: Kivette A. Caigoy, Staff Planner

FROM: Reid K. Siarot, State Land Surveyor *RKA*
DAGS, Survey Division

SUBJECT: I.D.: EA 2005/0014; SM1 2005/0038; and SSV 2005/0005
TMK: 4-4-08:007 and 013
Project Name: Royal Lahaina Resort Revitalization
Applicant: Royal Lahaina Development Group LLC

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06 FEB -8 P2:59

The subject proposal has been reviewed and confirmed that no Government Survey Triangulation Stations or Benchmarks are affected. Survey has no objections to the proposed project.

Should you have any questions, please call me at 586-0390.

EXHIBIT 14

LINDA LINGLE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

January 25, 2006
SM1 2005-0038.RCM

Honorable Michael W. Foley
Planning Director, County of Maui
Planning Department
250 S. High Street
Wailuku, Hawaii 96793

Dear Mr. Foley:

Subject: I. D. No.: SM1 2005 0038 - TMK: (2) 4-4-006: 007 and 01
Applicant: Royal Lahaina Development Group, LLC
Project: Royal Lahaina Resort Revitalization

Thank you for the opportunity to review and comment on the subject matter. The Department of Land and Natural Resources' (DLNR) Land Division made available or distributed a copy of the document pertaining to the subject matter to the following DLNR Divisions for their review and comment:

- Division of Forestry and Wildlife
- Engineering Division
- Commission on Water Resource Management
- Office of Conservation and Coastal Lands
- Land-Maui District Land Office

Enclosed please find a copy of the Commission on Water Resource Management comments.

Based on the attached responses, the Department of Land and Natural Resources has no other comment to offer on the subject matter. If you have any questions, please feel free to contact Nicholas A. Vaccaro of the Land Division Support Services Branch at 1-808-587-0384.

Very truly yours,

RUSSELL Y. TSUJI
Administrator

PETER T. YOUNG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
DEPUTY DIRECTOR

DEAN NAKANO
ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

LD-NAV

06 JAN 27 AM 5:00
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COUNTY OF MAUI
RECEIVED

C: MDLO

EXHIBIT 15

LINDA LINGLE
GOVERNOR OF HAWAII



PETER T. YOUNG
CHAIRPERSON

MEREDITH J. CHING
JAMES A. FRAZIER
NEAL S. FUJIWARA
CHIYOME L. FUKINO, M.D.
LAWRENCE H. MIIKE, M.D., J.D.
STEPHANIE A. WHALEN

DEAN A. NAKANO
ACTING DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT
P.O. BOX 621
HONOLULU, HAWAII 96821

January 17, 2005

REF:

TO: Russell Tsujii, Administrator
Land Division

FROM: Dean A. Nakano, Acting Deputy Director *DAN*
Commission on Water Resource Management

SUBJECT: Royal Lahaina Resort Renovation Draft EA, SMAPA

FILE NO.: SM1 2005/0038 -- SSV 2005/0005

Thank you for the opportunity to review the subject document. The Commission on Water Resource Management (CWRM) is the agency responsible for administering the State Water Code (Code). Under the Code, all waters of the State are held in trust for the benefit of the citizens of the State, therefore, all water use is subject to legally protected water rights. CWRM strongly promotes the efficient use of Hawaii's water resources through conservation measures and appropriate resource management. For more information, please refer to the State Water Code, Chapter 174C, Hawaii Revised Statutes, and Hawaii Administrative Rules, Chapters 13-167 to 13-171. These documents are available via the Internet at <http://www.hawaii.gov/dlnr/cwrm>.

Our comments related to water resources are checked off below.

- 1. We recommend coordination with the county to incorporate this project into the county's Water Use and Development Plan. Please contact the respective Planning Department and/or Department of Water Supply for further information.
- 2. We recommend coordination with the Engineering Division of the State Department of Land and Natural Resources to incorporate this project into the State Water Projects Plan.
- 3. There may be the potential for ground or surface water degradation/contamination and recommend that approvals for this project be conditioned upon a review by the State Department of Health and the developer's acceptance of any resulting requirements related to water quality.

Permits required by CWRM: Additional information and forms are available at www.hawaii.gov/dlnr/cwrm/forms.htm.

- 4. The proposed water supply source for the project is located in a designated ground-water management area, and a Water Use Permit is required prior to use of ground water.
- 5. A Well Construction Permit(s) is (are) required before the commencement of any well construction work.
- 6. A Pump Installation Permit(s) is (are) required before ground water is developed as a source of supply for the project.
- 7. There is (are) well(s) located on or adjacent to this project. If wells are not planned to be used and will be affected by any new construction, they must be properly abandoned and sealed. A permit for well abandonment must be obtained.

DRF-LD 04/15/2005

- 8. Ground-water withdrawals from this project may affect streamflows, which may require an instream flow standard amendment.
- 9. A Stream Channel Alteration Permit(s) is (are) required before any alteration can be made to the bed and/or banks of a stream channel.
- 10. A Stream Diversion Works Permit(s) is (are) required before any stream diversion works is constructed or altered.
- 11. A Petition to Amend the Interim Instream Flow Standard is required for any new or expanded diversion(s) of surface water.
- 12. The planned source of water for this project has not been identified in this report. Therefore, we cannot determine what permits or petitions are required from our office, or whether there are potential impacts to water resources.
- 13. We recommend that the report identify feasible alternative non-potable water resources, including reclaimed wastewater.
- OTHER:

It appears that total water supply demand will be decreased by this project

If there are any questions, please contact Charley Ice at 587-0251.

LINDA LINGLE
GOVERNOR



RODNEY K. HARAGA
DIRECTOR

Deputy Directors
BRUCE Y. MATSUI
BARRY FUKUNAGA
BRENNON T. MORIOKA
BRIAN H. SEKIGUCHI

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

2006 FEB 17 12:50

February 15, 2006

DEPT OF PLANNING
COUNTY OF MAUI
RECEIVED

IN REPLY REFER TO:

STP 8.2044

Mr. Michael W. Foley
Director
Department of Planning
County of Maui
250 South High Street
Wailuku, Hawaii 96793

Dear Mr. Foley:

Subject: Royal Lahaina Resort Revitalization Project
Draft Environment Assessment (EA 2005/0014),
Special Management Area Use Permit (SM1 2005/0038), and
Shoreline Setback Variance (SSV 2005/0005)
TMK: (2) 4-4-008: 007 and 013

We have the following comments on the subject proposed project for changes to an existing resort hotel complex:

1. This project is one of several underway or planned for development in the Kaanapali Resort area that use Kekaa Drive and Kaanapali Parkway to access Honoapiilani Highway.
2. The traffic report for the project claims that there will be a reduction in traffic volume and impact after the renovations and improvements are done. However, we have concerns regarding the cumulative impacts to our highway facilities that are attributable to all projects in the area, including this one.
3. We suggest that the developer be required to submit subsequent traffic count reports after the subject revitalization is completed and the resort complex is in operation. This could then be compared to the projections provided in the project's traffic report. If the applicant is asked to do a post-development traffic count report, we request that a copy of the report be provided to us to assist us in monitoring the continuing changes to and build-out of the Kaanapali Resort area. Should such a report indicate that traffic volumes exceed the project's projections, the applicant should be required to participate in and contribute its fair share of intersection and roadway improvements that may be necessary along Honoapiilani Highway at and around the Kaanapali Resort area.

EXHIBIT 16

Mr. Michael W. Foley
Page 2
February 15, 2006

STP 8.2044

We appreciate the opportunity to provide our comments.

Very truly yours,

A handwritten signature in black ink, appearing to read "Rodney Haraga", with a long horizontal line extending to the right from the end of the signature.

RODNEY K. HARAGA
Director of Transportation

Jun-22-2006 09:07am From:STATE Historic Preservation

808 692 8020

T-420 P 001/002 F-850

LINDA LINGLE
GOVERNOR OF HAWAII

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

STATE HISTORIC PRESERVATION DIVISION
601 KAMOKILA BOULEVARD, ROOM 555
KAPOLEI, HAWAII 96707

BUREAU OF WATER RESOURCES MANAGEMENT

CONSERVATION AND RESTORATION

ROBERT K. MASUDA
DEPUTY DIRECTOR - LANDDEAN NAKANO
ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONSERVATION
COMPREHENSIVE WATER RESOURCE MANAGEMENT
CONSERVATION AND RESTORATION
CONSERVATION AND RESTORATION ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
HAWAIIAN ISLAND RESOURCES COMMISSION
LAND
STATE PARKS

June 14, 2006

Mr. Michael Foley
County of Maui
Department of Planning
250 South High Street
Wailuku, Hawaii 96793

LOG NO: 2006.1880
DOC NO: 0606MK15
Archaeology

Dear Mr. Foley:

**SUBJECT: Chapter 6E-42 Historic Preservation Review [County/Planning] -
Draft Environmental Assessment and Applications for a Special Management Area
Use Permit and Shoreline Setback Variance for the Royal Lahaina Resort
Revitalization Project (EA 2005/0014; SMK1 2005/0038; and SSV 2005/0005)
Hanaka'o'o Ahupua'a, Lahaina District, Island of Maui
TMK: (2) 4-4-008:007 and 013**

Thank you for the opportunity to review and provide comments on the Draft Environmental Assessment and Applications for a Special Management Area Use Permit and Shoreline Setback Variance for the Royal Lahaina Resort Revitalization Project received by our office on January 6, 2006.

The proposed undertaking consists of the revitalization of the current Royal Lahaina Resort which was originally constructed in the 1960s and completed in the 1970s. The proposal includes a "mixed-use" concept with a total of 455 units, 330 of which will be luxury hotel units while the other 125 units will consist of condominium/hotel villas.

Continued coordination between the developers and the State Historic Preservation Division has occurred during the planning phases of this project. A phased archaeological inventory survey was proposed by our office, to accomplish two (2) tasks. First, it allowed initial investigation of a few areas within the project boundaries to examine the nature of the subsurface deposit which we assumed would be disturbed by the previous development. Potential areas for testing were limited as subsurface infrastructure is still active and the resort is currently in operation. This phase of the survey is complete, a copy of which is included in this document. A separate review copy has been submitted to our office and is currently pending review. Second, the proposed phased inventory would provide an acceptable window following the closure of the existing resort to conduct more intensive testing.

The preliminary testing conducted by Archaeological Services Hawaii, LLC (ASH, LLC) demonstrated the presence of agricultural solids on the eastern side of the parcel. Toward the seaward side or western edge of the parcel, fill overlaying an original sand deposit is evidenced. An appropriate scope for Phase II of the archaeological inventory survey report will be determined following review of the Phase I findings. Phase II investigations can begin immediately upon closure of the existing resort. We believe that

EXHIBIT 17

Michael Foley
Page 2

adequate areas for testing can be determined prior to demolition of the existing units, roadways, parking areas and tennis courts.

The submitted document contains a Cultural Impact Assessment report authored by Scientific Consultant Services, Inc., in addition to the archaeological inventory survey report (Phase I) submitted by ASH, LLC. We appreciate the cultural and historical background information supplied in the Cultural Impact Assessment, as it provides historic information specific to the project area.

Should you have any questions, please contact Dr. Melissa Kirkendall of the State Historic Preservation Division, Maui Section, at (808) 243-5169.

Aloha,


Melanie Chinen, Administrator
State Historic Preservation Division

MK:kf

c: Bert Ratte, Engineering, DSA, County of Maui 250 S. High Street, Wailuku 96793
Maui Cultural Resources Commission, Dept. of Planning, 250 S. High Street, Wailuku 96793

JUN 15 2006



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

06 FEB -8 12:30

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COUNTY OF MAUI
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OFFICE OF BUSINESS SERVICES

February 7, 2006

Mr. Michael W. Foley, Director
Department of Planning
County of Maui
250 South High Street
Wailuku, Hawaii 96793

Dear Mr. Foley:

ATTN: Kivette A. Caigoy, Staff Planner

Subject: Draft Environmental Assessment and Application for Special Management Area Permit and Shoreline Setback Variance for Royal Lahaina Resort Revitalization, TMK: 4-4-8:007 and 013, Kaanapali, Maui

The Department of Education (DOE) has reviewed the Draft Environmental Assessment and applications for the Special Management Area Permit (SMA) and the Shoreline Setback Variance. The DOE does not request a school fair-share contribution condition on applications for SMA permits shoreline setbacks.

DOE has no further comment on the applications and appreciates the opportunity to review the plans. If you have any questions, please call Heidi Meeker of the Facilities Development Branch at 733-4862.

Sincerely,

A handwritten signature in cursive script that reads "Randolph G. Moore".

Randolph G. Moore
Acting Assistant Superintendent

RGM:ly

cc: Duane Kashiwai, Facilities Development Branch
Ron Okamura, CAS, Hana/Lahaina/Lanai/Molokai Complex Areas

EXHIBIT 18

UNIVERSITY OF HAWAI'I

Sea Grant Extension Service
Maui Community College

02/23/2006

Michael Foley
Director
Maui Planning Department
250 South High Street
Wailuku, HI, 96793

Dear Mr. Foley,

Re: Final Environmental Assessment and Applications for a Special Management Area Use Permit and Shoreline Setback Variance, Royal Lahaina Resort Revitalization Project

Thank you for the opportunity to comment on the above document. In general, the plan looks very good from the perspective of protection of coastal resources. It is great to see that the Royal Lahaina plans to decrease the density of development in the Shoreline Setback Area by removing several structures. This will be beneficial to coastal resources by reducing the need for shore protection under erosional conditions.

The fact that there is little evidence of long term erosion at the Royal Lahaina is excellent and bodes well for the future of the beach and the resort. However, despite their relative infrequency, it is important to plan for the episodic storm, high surf and hurricane events, so that structures are not damaged, shoreline processes are not impeded, and public health and safety is not jeopardized, when these high energy events do occur.

My comments and questions on the Draft EA are as follows:

- 1) Table 1 outlines demolition and renovation activities within the 40-foot and 150-foot setback areas. Renovations within the 40-foot setback are listed as improvements to beach access stairways. However, based on the scale that appears on the shoreline survey map, it appears that the 40-foot setback line crosses through the center of the makai pool. This does not coincide with all the sketches throughout the rest of the draft EA that show the 40-foot setback line sketched on the makai edge of the pool. According to the shoreline survey map, the makai edge of the pool falls less than 30 feet from the shoreline, and the makai deck of the pool falls less than 25 feet from the shoreline. Could you please verify these distances, and confirm whether or not the pool falls within the 40 foot setback area? If it does, please add this to the renovations planned in the 40-foot setback in Table 1. It would seem that even if the pool itself does not fall within the setback area, the pool deck does fall within the 40 foot setback area, so if renovations to the pool deck are planned, this should be listed under the 40-foot section in table 1.

- 2) The proximity of the pool mentioned above in (1) to the shoreline is of concern, due to the dynamic nature of the shoreline under episodic storm or high surf events. While such events have been relatively infrequent over the last 20 years, studies of long-term trends in ocean surface temperatures and associated frequency of storms suggest that we are currently entering a 20-30 year period of increased likelihood of Kona storm and hurricane events. (The Pacific Decadal Oscillation is an El Nino-like phenomenon that occurs over a scale of decades, bringing changes in ocean surface temperature lasting 20-30 years. Given Hawaii's location, the next 20-30 years are predicted to bring warmer ocean surface temperatures, leading to an increase in Kona storm and hurricane activity.) In addition, sea level rise will continue to increase the likelihood of berm overtopping by waves during such events. As such, the possibility of events that may affect the pool, leading to the release of chlorinated water to nearshore areas and with the pool potentially acting as an obstruction to coastal processes, will likely increase. Thus, there should be some consideration given to removal of this pool and associated structures.
- 3) The proximity of the structure at the south end of the property to the shoreline (20 feet) is of some concern due to its likelihood of interference in natural shoreline processes in a high surf or storm event. The mention in the Draft EA that no hardening structures will be constructed to protect the structures within the setback area is appreciated. The fact that the structures in the setback area are allowable due to their date of original construction is understood; however it should be noted that during a storm event, these structures may interfere with natural shoreline processes and potentially pose a risk to human safety; thus, ideally, all structures within the setback area would be removed.
- 4) The beach access stairways should ideally be constructed of wood and supported by posts. Please see enclosed guidelines (labeled "Appendix B"; note, there is no Appendix A; this Appendix B was copied from another document)
- 5) While I have not yet conducted a site visit (but plan to do so in the next few weeks), my understanding is that the beach access stairways are necessitated by a scarp, or near-vertical drop-off down to the beach. This may be of concern due to the safety hazard it creates. While such scarps are usually indicators of erosion, my understanding is that this scarp has existed and changed only minimally throughout most of the lifetime of the resort. Its existence, then, could be due to a combination of grading of the former dune that was done when the resort was being built that left the graded property level higher than the natural elevation for the equilibrium beach and dune profile; and the presence of dense, tight-rooted vegetation (grass and naupaka) that prohibits the release of the underlying sand to form a natural back-beach slope. It may be possible to remediate the hazard posed by the scarp and even remove the need for stairs in two ways;
 - a) place sand along the base of the scarp to bring the level of the beach up; chances are that this would need to be an ongoing effort as the beach would

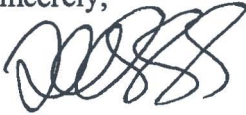
seek to reestablish its current equilibrium shape, and foot traffic would eventually wear down the sand.

b) remove the tight-weave vegetation at the edge of the bank, which would allow the sand underneath the vegetation to be released and form a more natural slope.

6) The number of beach access locations should be evaluated. A general guideline is a minimum 150-foot spacing between access locations, to minimize the impact to the dune/berm area. It may be that not all 6 currently-existing access locations are necessary.

Thank you for the opportunity to comment on this application. I look forward to conducting a site visit in the near future to perhaps provide more in-depth recommendations.

Sincerely,



Zoe Norcross-Nu'u
Sea Grant Extension Agent



DEPARTMENT OF THE ARMY
U.S. ARMY ENGINEER DISTRICT, HONOLULU
BUILDING 223
FORT SHAFTER, HAWAII 96858-5440

REPLY TO
ATTENTION OF: CEPOH-EC-T

'06 JAN 31 P12:22

January 31, 2006

DEPT OF PLANNING
COUNTY OF MAUI
RECEIVED

Civil Works Technical Branch

Mr. Kivette A. Caigoy, Staff Planner
County of Maui
Department of Planning
250 South High Street
Wailuku, Maui, Hawaii 96793

Dear Mr. Caigoy:

Thank you for the opportunity to review and comment on the Special Management Area Application and Draft Environmental Assessment (DEA) for the Royal Lahaina Resort Revitalization Project, Maui (TMK 4-4-8: 7 and 13). The following comments are provided in accordance with Corps of Engineers authorities to provide flood hazard information and to issue Department of the Army (DA) permits.

- a. Our Regulatory Branch does not have any additional comments to provide regarding DA permit requirements previously provided in their letter dated May 7, 2005.
- b. We concur with the flood information provided on page 29 of the DEA.

Should you have any questions, please call Ms. Jessie Dobinchick of my staff at 438-8876.

Sincerely,

James Pennaz
James Pennaz, P.E.
Chief, Civil Works
Technical Branch

EXHIBIT 20



06 JAN 20 P1:59

DEPT OF PLANNING
COUNTY OF MAUI
RECEIVED

January 16, 2006

Ms. Kivette A. Caigoy, Staff Planner
County of Maui – Department of Planning
250 South High Street
Wailuku, Hawaii 96793

Dear Ms. Caigoy,

Subject: Royal Lahaina Resort Revitalization Project –
Draft Environmental Assessment and Applications for a Special Management
Area Use Permit and Shoreline Setback Variance
Lahaina, Maui, Hawaii
TMK: (2) 4-4-008: 007 and 013

Thank you for allowing us to comment on the subject project, which was dated December 2005 and received on January 6, 2006.

In reviewing our records and the information received, Maui Electric Company (MECO) has no objection to the project at this time. However, we would like to reiterate some of our earlier comments that were made through correspondence dated June 1, 2005 (Mr. Daren Suzuki of Munekiyo & Hiraga, Inc.) and July 1, 2005 (Mr. Roger Fong of Wilson Okamoto Corporation): "MECO recommends that the existing switchgear not be used for the proposed project, as the switchgear is outdated and poses a safety concern....." Also, "with the current primary service, Royal Lahaina Resort owns the distribution system on their side of the revenue meter and is responsible for the operation and maintenance of this equipment. In addition, MECO is not allowed under law to perform any work on customer owned equipment. Therefore, in design of the electrical system for the remodeling, Royal Lahaina Resort and their electrical consultant may want to review this matter; taking into the consideration the customer's ability to operate and maintain a high voltage distribution system."

We highly encourage the applicant's electrical consultant to submit the electrical demand requirements and meet with us as soon as practical to verify these concerns and other electrical requirements so that service can be provided on a timely basis.

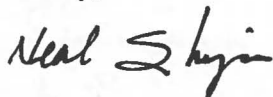
In addition, we suggest that the developer and/or their consultant make contact with Walter Enomoto of our Demand Side Management (DSM) group at 872-3283 to review potential energy conservation and efficiency opportunities for their project.

EXHIBIT 21

Royal Lahaina Resort Revitalization Project
January 16, 2006
P. 2

Should you have any other questions or concerns, please call Ray Okazaki at 871-2340.

Sincerely,



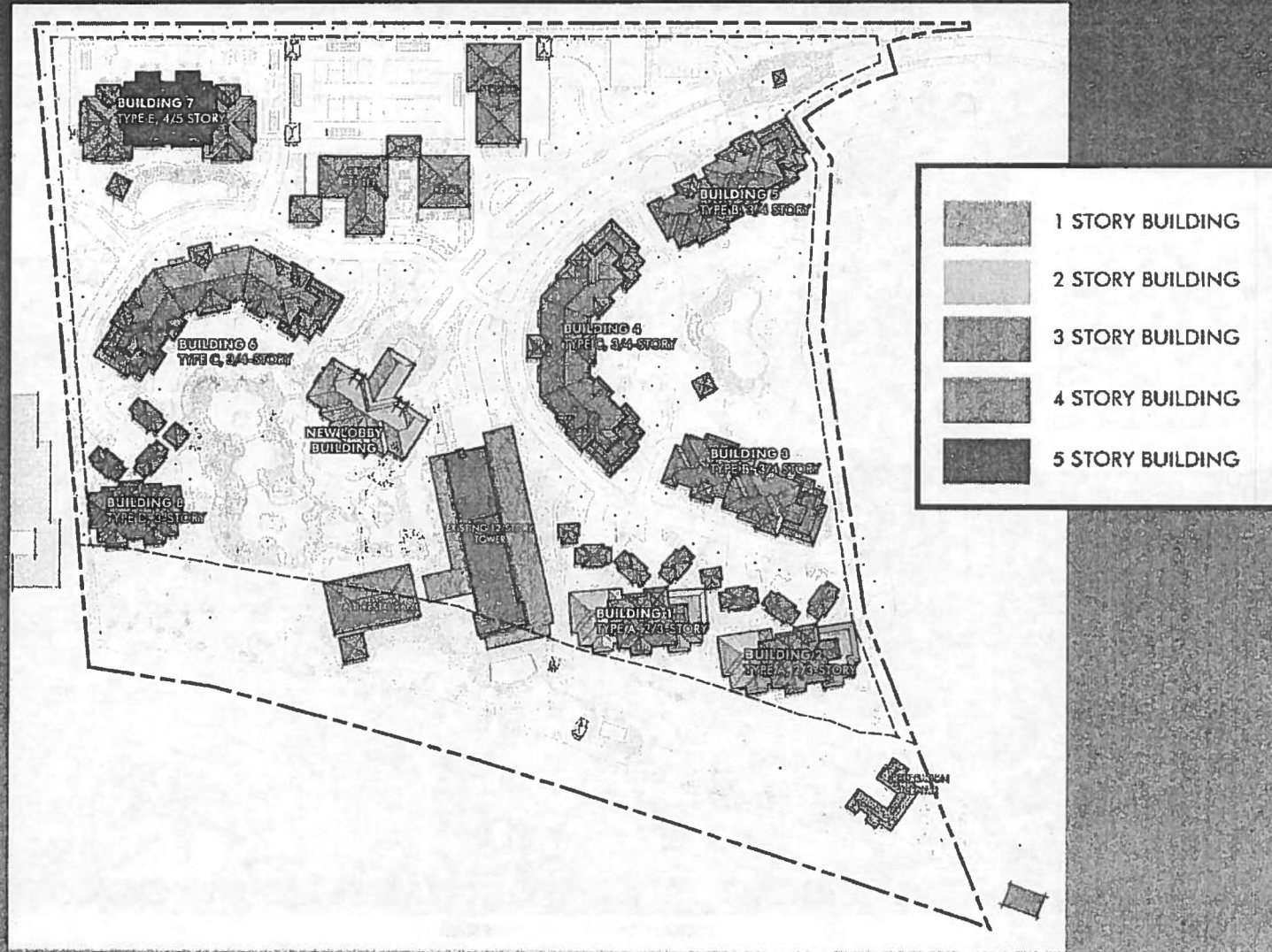
Neal Shinyama
Manager, Engineering

NS/ro:lh

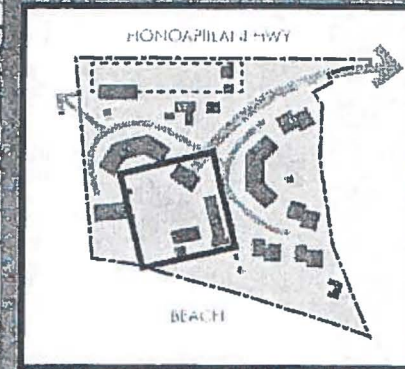
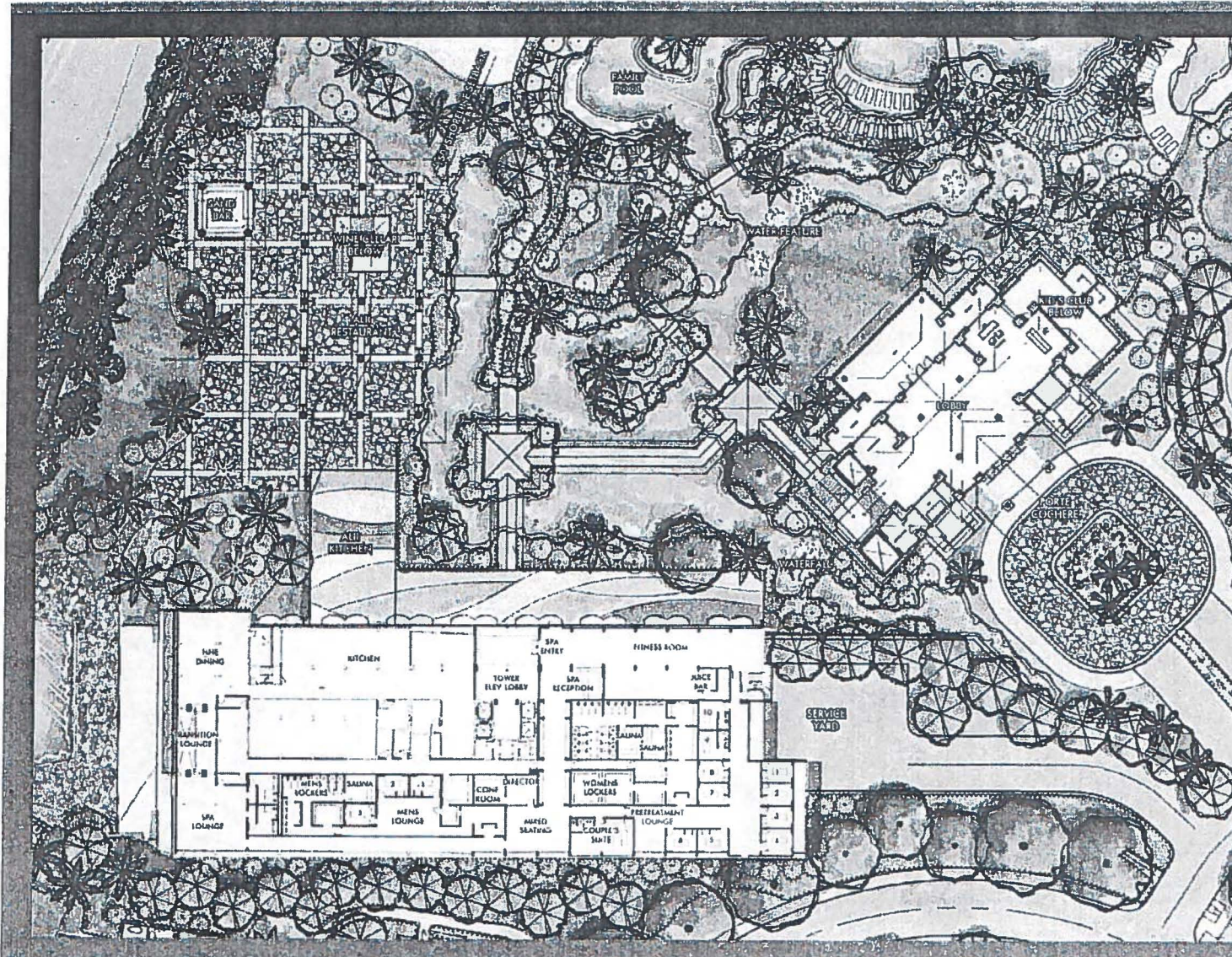
cc: Walter Enomoto – MECO DSM



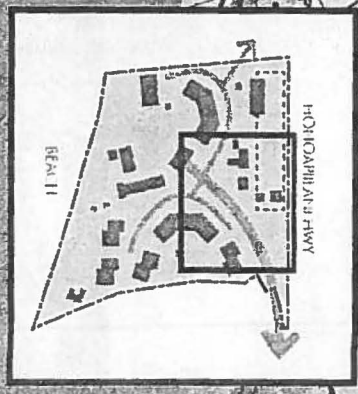
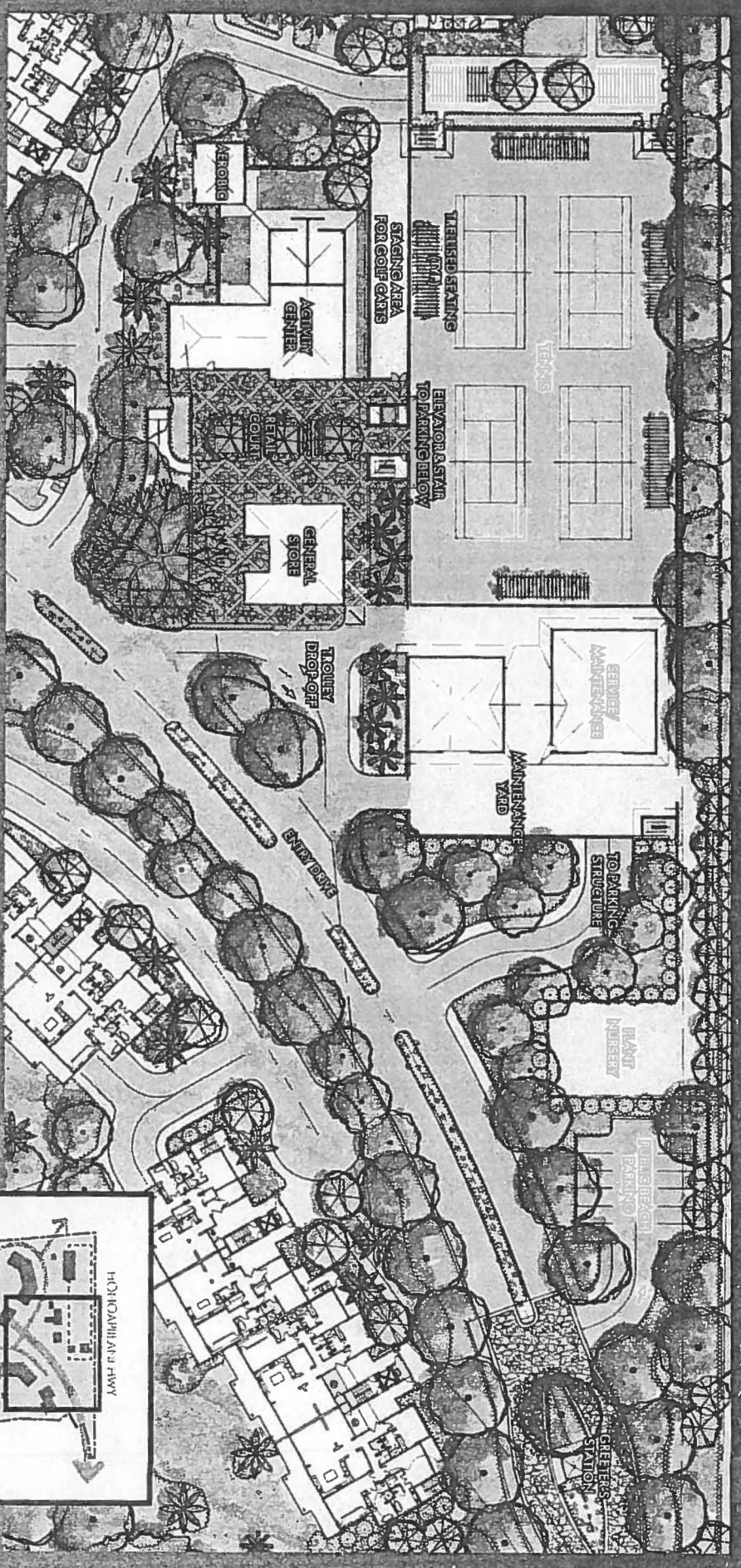
Royal Lahaina Resort Redevelopment: Building Height Diagram



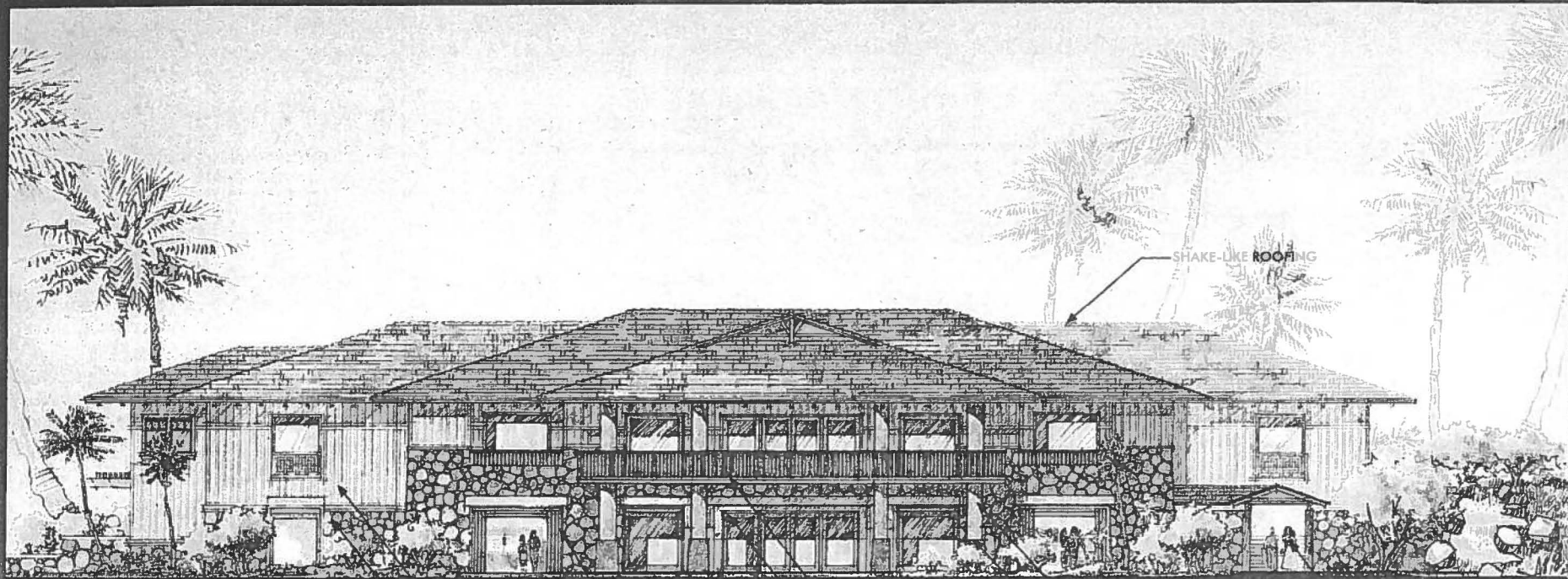
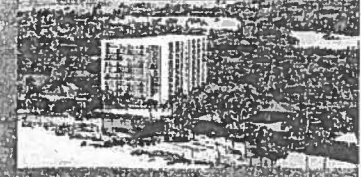
Royal Lahaina Resort Redevelopment: Makai Public Area Plan



Royal Lahaina Resort Redevelopment: Mauka Public Area Plan



Royal Lahaina Resort Redevelopment: New Lobby Building - Makai Elevation



SHAKE-LIKE ROOFING



WOOD BOARD & BATTEN SIDING
MOSS ROCK VENEER

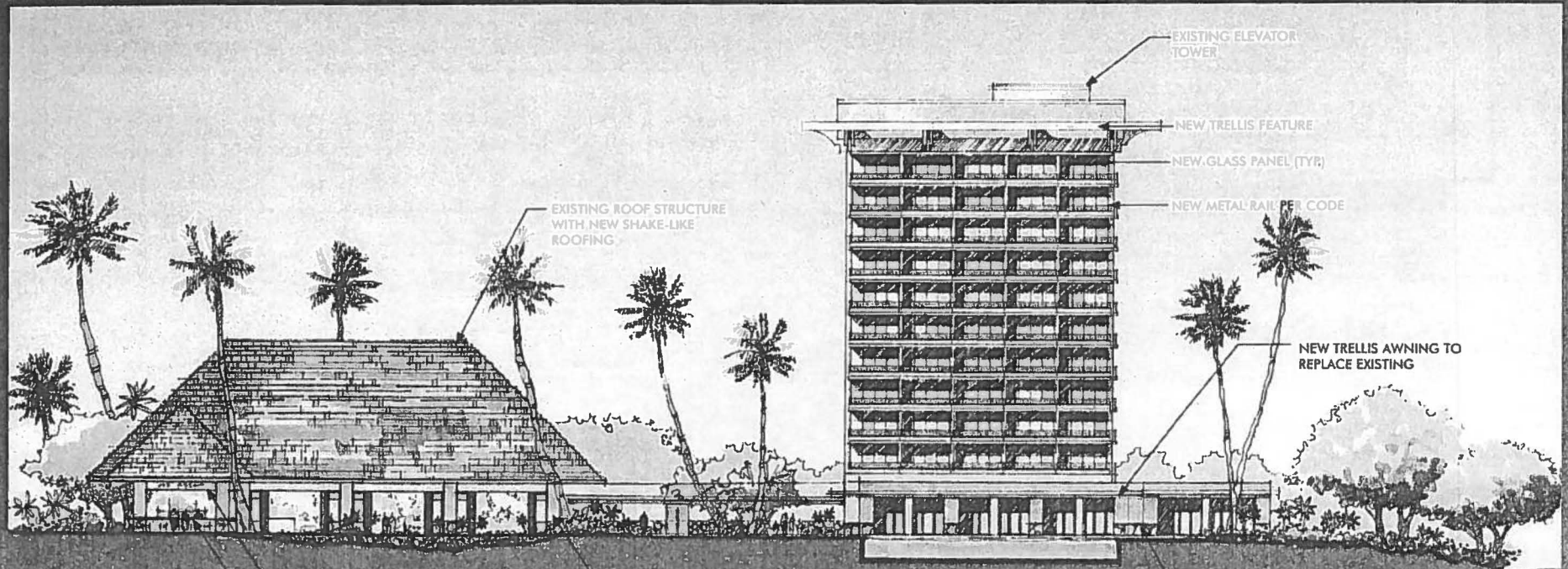
FOLDING WOOD/
GLASS DOORS

WOOD/METAL RAIL
PER CODE
FOLDING WOOD/
GLASS DOORS

WOOD/CONCRETE
COLUMNS
CONCRETE & STONE
BASE

WOOD & METAL FRAMED
WALKWAY

Royal Lahaina Resort Redevelopment: Hotel Tower & Alii Dining Makai Elevation



EXISTING ELEVATOR TOWER

NEW TRELLIS FEATURE

NEW GLASS PANEL (TYPI)

NEW METAL RAIL PER CODE

EXISTING ROOF STRUCTURE WITH NEW SHAKE-LIKE ROOFING

NEW TRELLIS AWNING TO REPLACE EXISTING

SAND BAR

ALII DINING

LANDSCAPING

FINE DINING / SPA LOUNGE (EXISTING POOL IN FOREGROUND)

SIGNAGE PER CODE

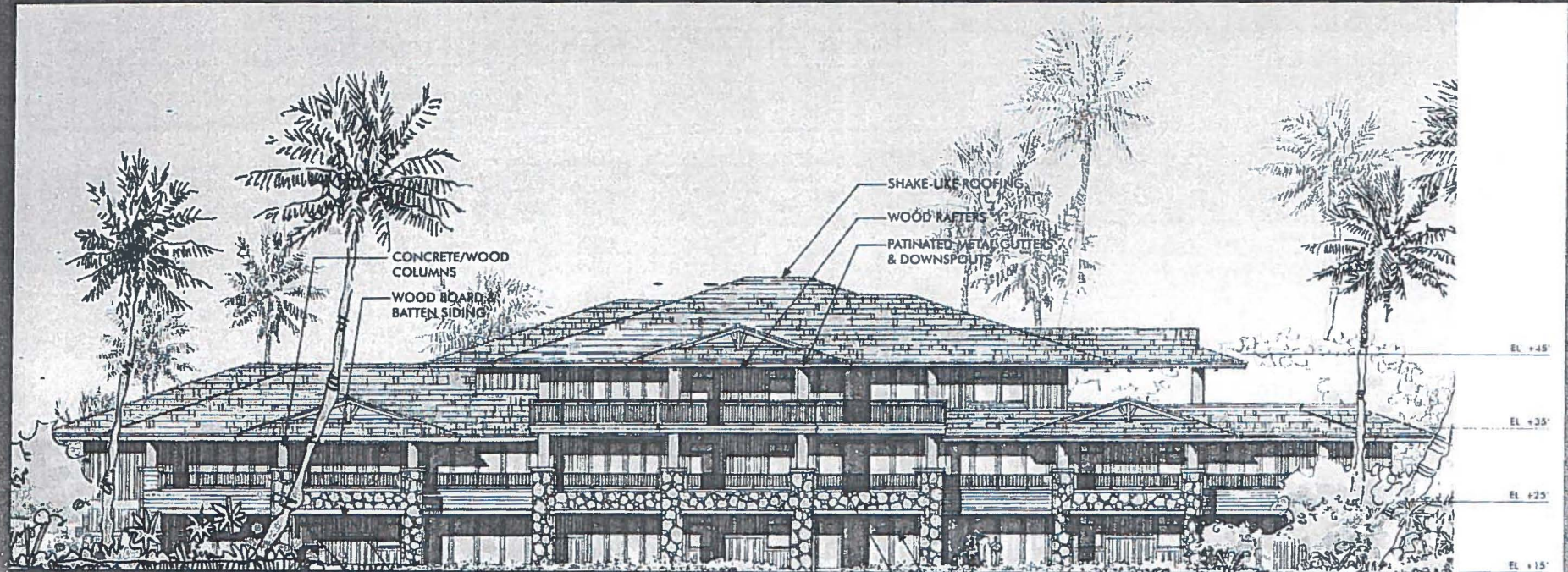
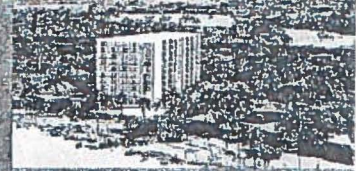
WOOD & STONE FINISH BAR

PLASTER FINISH COLUMNS WITH MOSSROCK VENEER BASE

PLASTER FINISH WALLS WITH MOSSROCK VENEER BASE



Royal Lahaina Resort Redevelopment: 2/3 Story Building - Makai Elevation

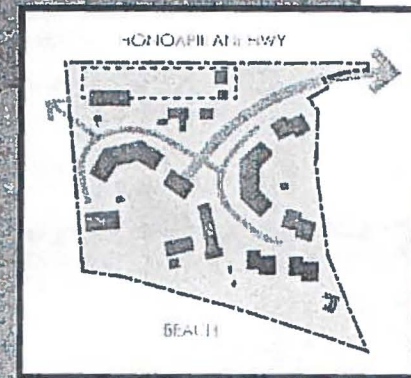


WOOD/STONE VANTAGE
SIBING

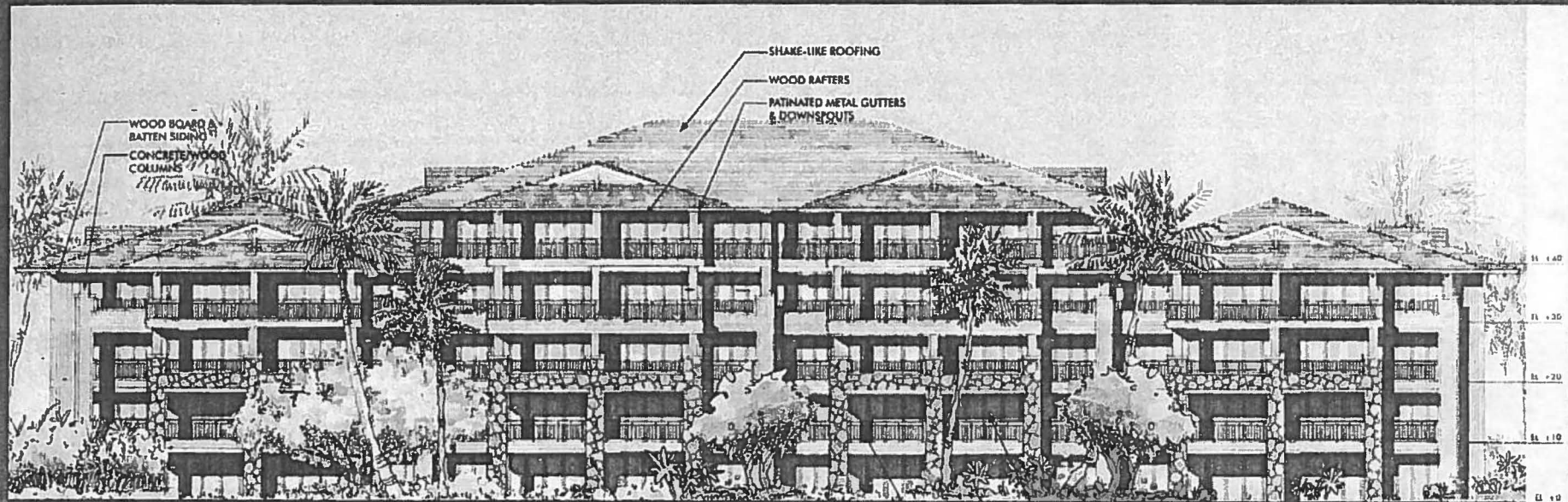
WOOD/METAL FRAMED
WINDOWS

WOOD/METAL
HOLDING DOORS

WOOD/METAL
RAILING

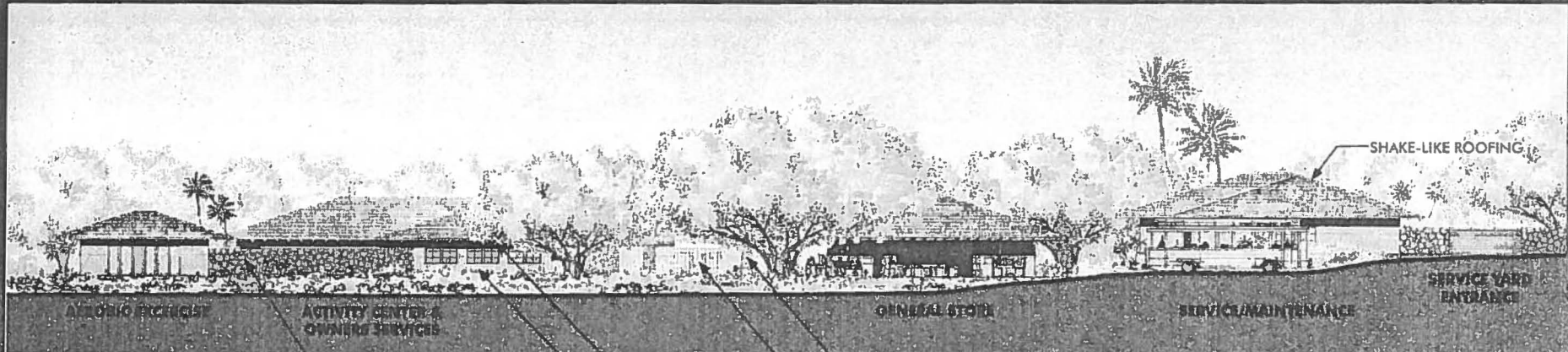


Royal Lahaina Resort Redevelopment: 4/5 Story Building - Makai Elevation



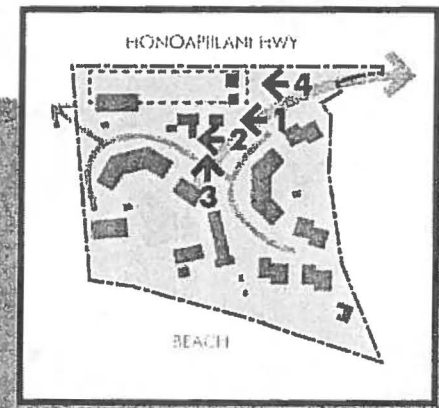
WOOD/STONE/PAVING
WOOD/METAL
WOOD/METAL

Royal Lahaina Resort Redevelopment: Retail, Activity, Sports Entry Elevation



Elevation 3

- MOSSROCK VENEER GARDEN WALLS
- WOOD/METAL FRAMED WINDOWS
- WOOD BOARD & BATTEN SIDING
- METAL & PLASTER DECORATIVE GRILLE WORK
- METAL GATE



Royal Lahaina Resort Redevelopment: General Store / Trolley Stop Elevation



Elevation 4



RETAIL & ACTIVITY BUILDINGS BEYOND

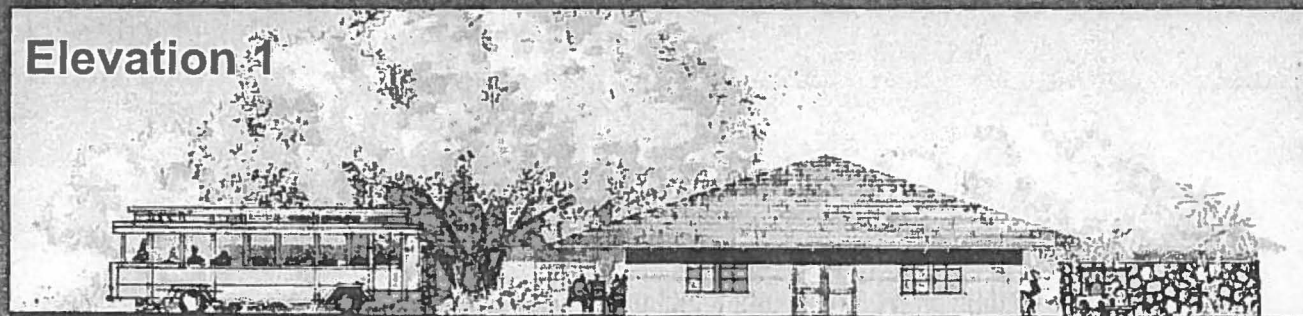
TROLLEY DROP-OFF

MAINTENANCE

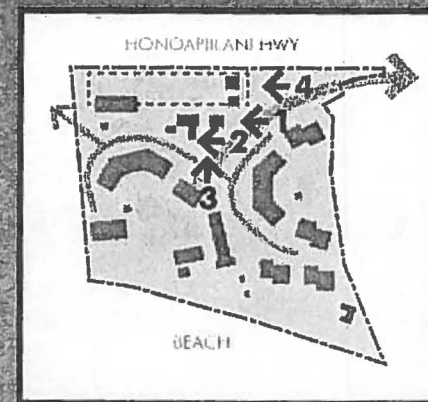
SERVICE

CART BARN

Elevation 1



GENERAL STORE





BEFORE THE MAUI PLANNING COMMISSION

COUNTY OF MAUI

STATE OF HAWAII

In The Matter Of The Applications Of)

GWEN OHASHI HIRAGA)

on behalf of)

**ROYAL LAHAINA DEVELOPMENT
GROUP**)

To Obtain a Special Management Use)

Permit and Shoreline Setback)

Variance for the Renovation of the)

Royal Lahaina Resort on)

Approximately 26.87 Acres of Land)

at Maui Tax Map Key 4-4-008:007,)

009 and 013,)

Ka'anapali, Maui, Hawai'i)

DOCKET NO. **SM1 2005/0038**

SSV 2005/0005

(Gwen Ohashi Hiraga, on behalf of
Royal Lahaina Development Group)

(JH)

MAUI PLANNING DEPARTMENT'S RECOMMENDATION
TO THE MAUI PLANNING COMMISSION
AUGUST 8, 2006 MEETING

DEPARTMENT OF PLANNING
COUNTY OF MAUI
250 S. HIGH STREET
WAILUKU, MAUI, HI. 96793

(Shoreline Setback Variance and Special Management Area Use Permit Applications)
(K:\WP_DOCS\PLANNING\SM1\2005\0038_RoyalLahainaRenovation\Dept_Recommendation.wpd)

BEFORE THE MAUI PLANNING COMMISSION

COUNTY OF MAUI

STATE OF HAWAII

In The Matter Of The Applications Of)	
)	DOCKET NO. SM1 2005/0038
GWEN OHASHI HIRAGA)	SSV 2005/0005
on behalf of)	
ROYAL LAHAINA DEVELOPMENT)	(Gwen Ohashi Hiraga, on behalf of
GROUP)	Royal Lahaina Development Group)
)	
To Obtain a Special Management Use)	(JH)
Permit and Shoreline Setback)	
Variance for the Renovation of the)	
Royal Lahaina Resort on)	
Approximately 26.87 Acres of Land)	
at Maui Tax Map Key 4-4-008:007,)	
009 and 013,)	
<u>Ka'anapali, Maui, Hawai'i</u>)	

CONCLUSIONS OF LAW

The proposal complies with the applicable standards for the Shoreline Setback Variance application.

The Special Management Area Permit also complies with the applicable standards for the Special Management Area, as follows:

- (A) It does not involve an irrevocable commitment to loss or destruction of any natural or cultural resources;
- (B) It does not significantly curtail the range of beneficial uses of the environment;
- (C) It does not conflict with the County's or the State's long-term environmental policies or goals;
- (D) It does not substantially affect the economic or social welfare and activities of the community, County or State;
- (E) It does not involve substantial secondary impacts, such as population changes and increased effects on public facilities, streets, drainage, sewage, and water systems, and pedestrian walkways;
- (F) In itself it has no significant adverse effect and does not cumulatively have an effect upon the environment or involve a commitment for larger actions.
- (G) It does not substantially affect a rare, threatened, or endangered species of animal or plant, or its habitat;
- (H) It is not contrary to the state plan, county's general plan, appropriate

community plans, zoning and subdivision ordinances;

(I) It does not detrimentally affect air or water quality or ambient noise levels;

(J) It does not affect an environmentally sensitive area, such as a flood plain and tsunami zone;

(K) It does not substantially alter natural land forms and existing public views to and along the shoreline; and

(L) It is not contrary to the objectives and policies of chapter 205A, HRS.

The Planning Department, based on the facts presented in the Department Report, finds that the proposed action will not have a significant adverse environmental or ecological effect, provided mitigation measures are incorporated into the project; the proposed action essentially meets the objectives, policies and guidelines of the SMA Rules; and the proposed action is consistent with County zoning and the West Maui Community Plan.

RECOMMENDATION

The Maui Planning Department (Department) recommends approval of the Shoreline Setback Variance. Further, the Department recommends approval of the SMA use permit, subject to the following conditions:

STANDARD CONDITIONS:

1. That construction of the proposed project shall be initiated by August 8, 2009. Initiation of construction shall be determined as construction of onsite and/or offsite improvements, issuance of a foundation permit and initiation of construction of the foundation, or issuance of a building permit and initiation of building construction, whichever occurs first. Failure to comply within this three (3) year period will automatically terminate this Special Management Area Use Permit unless a time extension is requested no later than ninety (90) days prior to the expiration of said three (3) year period. The Planning Director shall review and approve a time extension request but may forward said request to the Planning Commission for review and approval.

2. That the construction of the project shall be completed within five (5) years after the date of its initiation. Failure to complete construction of this project within the designated time frame will require a new Special Management Area Use Permit. A time extension shall be requested no later than ninety (90) days prior to the completion deadline. The Planning Director shall review and approve a time-extension request but may forward said request to the Planning Commission for review and approval.

3. The permit holder or any aggrieved person may appeal to the Planning Commission any action taken by the Planning Director on the subject permits no later than ten (10) days from the date the Director's action is reported to the Commission.

4. That final construction shall be in accordance with preliminary plans

submitted on December 1, 2005 and May 3, 2006, and as subsequently revised thereafter.

5. That appropriate measures shall be taken during construction to mitigate the short term impacts of the project relative to dust and soil erosion from wind and water, ambient noise levels, and traffic disruptions.

6. That the subject Special Management Area Use Permit shall not be transferred without prior written approval in accordance with §12-202-17(d) of the Special Management Area Rules of the Maui Planning Commission. However, in the event that a contested case hearing preceded issuance of said Special Management Area Use Permit, a public hearing shall be held upon due published notice, including actual written notice to the last known addresses of parties to said contested case and their counsel.

7. That the applicant, its successors and permitted assigns shall exercise reasonable due care as to third parties with respect to all areas affected by subject Special Management Area Use Permit Approval and shall procure at its own cost and expense, and shall maintain during the entire period of this Special Management Area Use Permit Approval, a policy or policies of comprehensive liability insurance in the minimum amount of ONE MILLION AND NO/100 DOLLARS (1,000,000.00) naming the County of Maui as an additional named insured, insuring and defending the applicant and County of Maui against any and all claims or demands for property damage, personal injury and/or death arising out of this permit, including but not limited to: (1) claims from any accident in connection with the permitted use, or occasioned by any act or nuisance made or suffered in connection with the permitted use in the exercise by the applicant of said rights; and (2) all actions, suits, damages and claims by whomsoever brought or made by reason of the non-observance or non-performance of any of the terms and conditions of this permit. Proof of a policy naming County of Maui as an additional named insured shall be submitted to the Department within ninety (90) calendar days from the date of transmittal of the decision and order.

8. That full compliance with all applicable governmental requirements shall be rendered.

9. That the applicant shall submit plans regarding the location of any construction related structures such as, but not limited to trailers, sheds, equipment and storage areas, worker parking and fencing to be used during the construction phase to the Maui Planning Department for review and approval.

10. That the applicant shall submit to the Planning Department five (5) copies of a detailed report addressing its compliance with the conditions established with the subject Special Management Area Use Permit Approval. A preliminary report shall be reviewed and approved by the Planning Department prior to issuance of the demolition permit. A compliance report shall be submitted to the Planning Department for review and approval prior to issuance of a certificate of occupancy for each phase of the project.

11. That the applicant shall develop the property in substantial compliance with

the representations made to the Commission in obtaining the Special Management Area Use Permit Approval. Failure to so develop the property may result in the revocation of the permit.

12. That appropriate energy conservation measures shall be incorporated into the project.

13. That all exterior lighting shall be downcast and shall be shielded from adjacent properties including the ocean.

PROJECT SPECIFIC CONDITIONS:

14. That the surface of the new shoreline trail and any associated grading or fill shall be approved by the Planning Department prior to construction of the trail.

15. That the applicant shall provide evidence of compliance regarding any park contribution requirements as determined by the Department of Parks and Recreation, at the time of issuance of each building permit.

16. That all demolition and construction shall occur between the hours of 7:00 am and 6:00 pm Monday through Friday and between 9:00 am and 6 pm on Saturday; except for the use of pile drivers, hoe rams, jack hammers 25 pounds or larger, high-pressure sprayers, and chain saws shall be restricted to 9:00 am to 5:30 pm, Monday through Friday.

17. That the wastewater disposal systems for the pools and water features shall not discharge into the ocean.

18. That no ground disturbance or construction shall occur until the State Historic Preservation Division (SHPD) accepts the second phase of the inventory survey. The applicant shall provide evidence to the Planning Department of acceptance of the second phase of the survey by the SHPD, prior to approval of any building permits. And that all ground altering activities shall be conducted in accordance with the SHPD response to the second phase of the inventory survey.

19. That the applicant shall place a sign at the resort's entrance welcoming the public to the resort area and identifying public parking options.

20. That the applicant shall record an easement granting public access over the shoreline path that assures perpetual public access, prior to issuance of any certificate of occupancy for the project.

21. That the project shall contain no more than three beach stairways which shall be constructed of materials as approved by the Planning Department.

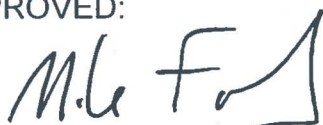
22. That should the applicant find any high quality sand during excavation, the sand shall be utilized for the project; and any excess sand beyond that utilized for the project shall be transported to a County storage site, if one is available.

23. That the applicant shall submit subsequent Kekaa Drive traffic count reports after the project is completed to the State Department of Transportation; and shall contribute to fair share roadway improvements that may be necessary based on the reports.

24. That the existing makai smaller pool southwest of the 12 story tower shall:
- a. Be relocated completely outside of the shoreline setback; or
 - b. Be placed in accordance with a supplemental environmental assessment that is conducted; or
 - c. Remain in its current location. However, if it remains, there shall be no hard improvements made to the shore to protect the pool from the ocean, erosion and/or storm events.

In consideration of the foregoing, the Planning Department recommends that the Maui Planning Commission adopt the Planning Department's Report and Recommendation prepared for the August 8, 2006 meetings as its Findings of Fact, Conclusion of Law and Decision and Order and to authorize the Director of Planning to transmit said written Decision and Order on behalf of the Planning Commission.

APPROVED:



MICHAEL W. FOLEY
Planning Director