BEFORE THE MAUI PLANNING COMMISSION

COUNTY OF MAUI

STATE OF HAWAII

In the Matter of the Application of) DOCKET NO.SM1 2002/0026
Mr. Steve Busch, Regional Vice-President-Construction & Development) Maui Ocean Club Sequel) JOEA)
To Obtain a Special Management Area Use Permit in order to construct two guestroom buildings containing 143 units plus an additional 133 lock outs for a total of 276 keys on the existing 15.9 acre Maui Ocean Club property At Maui Tax Map Key 4-4-013:001)))))
<u>Lahaina, Maui, Hawaii</u>)

MAUI PLANNING DEPARTMENT'S REPORT TO THE MAUI PLANNING COMMISSION FEBRUARY 24, 2004 MEETING

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

SMA SM1 20020026

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THE APPLICATION

This matter arises from application for a Special Management Area Use Permit filed on December 24, 2002 and certified as complete and ready for processing by the Department of Public Works and Environmental Management on January 3, 2003. The application was filed pursuant to Section 12-202-12 and 12-202-15 of the Special Management Area (SMA) Rules of the County of Maui by Mr. Steve Busch, ("Applicant"); on 15.9 acres of land in the Urban District, situated at Lahaina, Island of Maui and County of Maui, identified as Maui Tax Map Key No. 4-4-013:001 ("Property").

PURPOSE OF THE APPLICATION

The Applicant is requesting a Special Management Area Use Permit to construct two new guest towers on the existing Maui Ocean Club time share site. The project will result in the addition of 143 units plus 133 lock-off units, construction of a new parking structure, swimming pool and related facilities.

APPLICABLE REGULATIONS

SPECIAL MANAGEMENT AREA USE PERMIT

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) Detrimentally 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, landslides, erosion, siltation, or failure in the event of earthquake.
 - (2) No development shall be approved unless the Authority has first found:
 - (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 February 10, 2003, 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 application with the County of Maui. A copy of the "Notice of Application" and Affidavit of Publication is on file in the Maui Planning Department.
- 2. On January 9, 2004, 46 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.
- 3. On January 23, 2004, 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 application(s) 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.
- 4. On January 23, 2004, a notice of hearing on the application was published in the in the Maui News, Honolulu Star-Buletin, The Garden Island, the West Hawaii Today, and the Hawaii Tribune Herald by the Maui Planning Department.

5. The subject application does not involve an action that triggers compliance to Chapter 343, Hawaii Revised Statutes, relating to Environmental Impact Statements.

Pursuant to Chapter 343, Hawaii Revised Statutes, relating to Environmental Impact Statements, the applicant prepared an EIS and the Final EIS was accepted by the Maui Planning Commission at its meeting of August 28, 2003. The notification of the acceptance of the Final EIS was published in the October 23, 2003 OEQC Bulletin. The 60-day challenge period ended on December 23, 2003. No appeals were filed.

GENERAL DESCRIPTION

Description of the Property

- 1. The Property which is approximately 15.9 acres is located 100 Nohea Kai Drive, Ka`anapali Maui at Maui Tax Map Key TMK (2) 4-4-013: parcel 001, Lahaina, Maui Hawaii. (See attached Map, Exhibits 1 & 2)
 - 2. Land Use Designations -
 - a. State Land Use District -- Urban
 - b. West Maui Community Plan -- Hotel
 - c. County Zoning -- H-2 Hotel
 - d. Other -- Special Management Area Resort Destination Area
 - 3. Surrounding Uses --

North -- Ka`anapali Alii Resort

East -- Nohea Kai Drive and the Ka`anapali golf course

South -- Hyatt Regency Hotel

West -- Ka`anapali Beach and the Pacific Ocean

4. The topography within the project site is relatively flat, consisting primarily of parking decks, roads, and tennis courts. The entrance driveway located north of the existing hotel building, on the east side of the resort, has the most dramatic slope (sloping down toward Nohea Kai Dr.) with an approximate average grade of 3 percent. The subject parcel is currently developed with a 10 story building that contains the guestrooms, lobby, ballrooms and restaurants, and associated features including: parking lots, a parking

garage, tennis courts, and recently redeveloped pool and luau facilities. The primary structures were constructed in 1979 as a 720-room Hotel and are currently undergoing conversion to 312-room timeshare resort as part of a renovation initiated in 2000 as the "Maui Ocean Club". (Exhibits 3 thru 5)

Existing Services

Water -- Ka`anapali Resort is served by a private water system owned and operated by Aqua Source Company. The source of potable water for the private water system is four wells with an aggregate design capacity of 3.7 MGD. The current pumping rate of the wells is around 2.9 MGD. The total water consumption for the existing 391 hotel rooms and 154 timeshare units in June 2002 was 4,904,000 gallons. Assuming 92% occupancy this translates to around 300 gals. per unit, per day.

Sewers -- A 12-inch gravity sewer line on Nohea Kai Drive collects wastewater from hotels on the makai (west) side of this road and directs it into a pump station located approximately 200 feet south east of the MMS project site. This pump station conveys wastewater to the County's 21-inch gravity transmission line on Hono`api`ilani Highway. A pump station near the intersection of Hono`api`ilani Highway and Ka`anapali Parkway and a series of force mains and gravity interceptors then transport wastewater from Ka`anapali Resort and Lahaina Town to the Lahaina Wastewater Reclamation Facility (LWRF) south of Honokowai Gulch for treatment and processing. Using a peaking factor of 2, the County's Division of Wastewater Reclamation (CDWR) estimates that the pump station and transmission system in Ka`anapali is presently operating at roughly 67% of capacity. The plant capacity was up sized in 1995 from 6.7 to 9.0 MGD. The average daily flow capacity of the facility is now 9.0 MGD, and the plant has a design peak flow capacity of 19.8 MGD to accommodate higher wet weather flows

Drainage – According the Federal Emergency Management Agency (FEMA) flood area designations, the majority of the project site is located in zone classified as "C", an area of little or no flooding. Portions of the parcel along the shoreline are within the V12 and A4 zones, with base elevations of 9 feet. The resort is located on a 15.9-acre parcel. Redevelopment will occur in area south of the existing hotel (Area 1) that encompasses approximately 3.2 acres, and an area north of the existing hotel (Area 2) that is approximately 4.3 acres.

Onsite surface runoff from Area 1 of the project site is currently generating approximately 12.8 cfs for a 50-yr. recurrence interval 1-hour duration storm. The majority of the surface runoff volume being generated by the existing parking structure and parking lot is being intercepted by grated inlet type catch basins and an existing underground drainage system and directed into two (2) existing dry wells located in the landscape areas between the ocean and the existing concrete beach walkway. The remaining portion of the onsite runoff sheet flows either into the two (2) existing dry wells or landscaped areas.

Onsite surface runoff from Area 2 project site currently generates approximately 16.2

cfs for a 50-yr. recurrence interval 1-hour duration storm. The majority of the surface runoff volume being generated by the existing parking lot is intercepted by grated inlet type catch basins and an underground drainage system and conveyed to a drywell located in the landscape area between the ocean and concrete beach walkway. The majority of the surface runoff volume being generated by the existing tennis courts currently sheet flows into the adjacent landscape and lawn areas.

Roadways, Curbs, Gutters and Sidewalks -- Access to and egress from the project is via three driveways along Nohea Kai Drive, a two-way divided roadway. The roadway is not striped for four lanes but there is sufficient width to do so in the future. Nohea Kai Drive intersects with the Resort's main thoroughfare, Ka`anapali Parkway. This roadway is also a two-way divided roadway that is not striped and has room for four lanes. Both roadways are privately owned. The intersection of Ka`anapali Parkway at Nohea Kai Drive is unsignalized. Ka`anapali Parkway intersects, with Hono`api`ilani Highway, a State Highway which provides primary access to the central isthmus of the island, where the primary airport is located.

Electrical and Telephone -- Underground electrical and telephone service is available to the site.

Parks -- Public recreation in West Maui is available in the ocean, reached through beach areas such as Ka`anapali and State and County beach parks. Also, Maui County provides recreational facilities at the Lahaina Civic Center (gymnasium, tennis courts) and sports fields in Lahaina. The County operates some 130 parks and recreational facilities on Maui, Molokai and Lanai. At Ka`anapali, beaches are accessible to the public. For resort guests, beaches, nearby open areas and pools are major recreation sites. Beach access points and parking are located on various hotel and commercial properties along Kaanapali Beach. There are several parks in the Lahaina region that provide recreational opportunities to the community. The nearest park facility is located at Hanakao`o Beach Park, which is located along the southern boundary of the Ka`anapali Resort, provides public beach parking, restrooms, and access to Hanakao`o Beach as well. In addition, Kaanapali and Kapalua Resorts operate world-class golf courses which are available for public use.

Schools -- Schooling on Maui is provided by the Hawaii State Department of Education and private schools. In the Lahaina District, public schools are located in Lahaina: King Kamehameha III and Princess Nahienaena Elementary Schools (through grade five), Lahaina Intermediate (grades six through eight) and Lahainaluna School (grades nine through twelve). Lahainaluna is the only DOE high school that can take boarders. These DOE schools are, according to current School Status and Improvement Reports, slightly below capacity for classrooms. For other facilities such as libraries, they may be well below standards set by the DOE. In sum, while facilities improvements are probably desirable, they are not critical for the core work of instruction at these schools.

Private schools in the district consist of Sacred Hearts School in Lahaina (grades K through twelve) and preschools. The Kamehameha Schools' Maui Campus is located outside the district, in Upcountry Maui, but draws students from all parts of Maui.

No new school construction is anticipated soon in Lahaina District. School sites have been included in the plans for large proposed housing areas, and these schools would likely be built in response to new demand as the number of residents increases.

Solid Waste -- -Single-family residential solid waste collection service is provided by the County of Maui on a once-a-week basis. Residential solid waste collected by County crews is disposed at the County's 55-acre Central Maui Landfill, located four (4) miles southeast of the Kahului Airport. In addition to County-collected refuse, the Central Maui Landfill accepts commercial waste from private collection companies.

A refuse transfer station located about 13 miles south of the project site at Olowalu serves West Maui residents and accommodates household refuse and green waste, as well as used oil; no commercial waste is accepted at this facility. A private waste disposal service has been contracted by the County to transport waste from this facility to the Central Maui Landfill.

Public Services - The Department of Fire Control, County of Maui maintains a station at the Lahaina Civic Center, about a mile from the project site. The Lahaina Station and Napili Station together serve the entire West Maui area, with two engines and a ladder truck.

The Maui Police Department has a station at the Lahaina Civic Center, about a mile from the MOC. It is currently under renovation, and officers are operating from temporary quarters. On a given watch, five officers are assigned to cover the entire West Maui area, with one covering a beat including Ka`anapali and part of Honokowai.

The nearest hospital is the Maui Memorial Hospital located in Wailuku providing acute, general and emergency care services from its 195 bed facility. In Kapalua, Doctors on Call provides private physician services. In addition, regular hours are offered by private practices in Lahaina, which include the Maui Medical Group, Lahaina Physicians, West Maui Healthcare Center, and Kaiser Permanente Lahaina Clinic.

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

BRIEF HISTORY OF THE PROJECT SITE

In 2000, MVCI began converting the units of the 720-room (720 key) Maui Marriott Hotel into a 312-unit (441-key) timeshare facility known as the "Maui Ocean Club". The proposed "Sequel" addition will add 143 units (276 keys).(Exhibit 6, 6A, 6B)

DESCRIPTION OF THE PROJECT

The Applicant is proposing the expansion of the existing Maui Ocean Club (MOC) Resort. The proposed project consists of the addition of two new 12-story villa unit buildings for vacation ownership, parking structures, site amenities, and landscaping. Work will also entail demolition of the existing on grade parking, tennis courts, ballroom, luau facility, and parking garage. The project will dramatically increase the amount of landscape planted open space along the shoreline.

Specifically, the project will involve the demolition of the existing ballroom, parking structure(located along the south end of the property), the luau area, the tennis courts, the exercise facility (located along the north end of the property), and most of the on-grade parking lot (located between the tennis courts and existing hotel structure) (Exhibit 7). Nearly an acre of impervious surface will be removed from the project site's shoreline setback area. The area will be replaced with grass lawns and landscape planting, creating a desirable park-like experience along the coastal walkway (Exhibit 8). The amount of impervious surfaces at the project site will decrease about 13%, from 62% of the project site to 53% (Exhibit 9).

The project entails construction of two freestanding buildings, one on each side of the existing hotel / timeshare complex.

On the north (Napili) side, a new timeshare building, identified as the Napili Building, will be located in the area of the existing tennis courts and surface parking area. It will consist of 87 timeshare units in a twelve/ten-story stepped building mass. 12 of the units will be three-bedroom suites with a bedroom that "locks-off". The remaining 75 units will be twobedroom units, 65 with lock-offs, and 10 without. Units that contain a "lock-off" bedroom allow up to two separate parties to isolate and occupy the two components of the unit (usually distinguished from one another to as the master-side and the lock-off-side). When a lockout is utilized, a doorway between the master and lockoff side of the unit is closed and secured, and access to each component is via separate doors and keys. The Napili building described in units and keys is 87units/164 keys. The ground floor will include support mechanical/electrical spaces, pool restrooms, and storage. A new one and a half story parking structure accommodating 147 stalls will be added mauka of the new timeshare building. The top floor of the parking structure will be screened with the use of landscape planted trellises. A new swimming pool, spas, and decks will be added immediately makai of the new building. A small pool bar will be located at a corner of the pool deck between the new building and the existing hotel. The area makai of the new shoreline setback (132 feet) will be landscaped with primarily open lawn and coconut trees.

On the south (Lahaina) side, a new timeshare building, identified as the Lahaina Building, will be located in the area of the existing parking structure. It will consist of 56 timeshare units in a twelve/ten-story stepped building mass. The building will contain 12 three-bedroom units and 44 two-bedroom units. All units will contain a "lock-off" guestroom, thus there will be 112 "keys". The ground floor will include support mechanical/electrical spaces.

A new five story parking structure accommodating 416 stalls will be added mauka of the new timeshare building. The top floor of this parking structure will also be screened with landscape planted trellises. A new swimming pool, spa, and deck will be added between the new building and the existing hotel. In addition, two new on-grade tennis courts will be added in the former location of the ballroom. Similar to the Napili side, the makai (seaward) area, which includes the 132' shoreline setback area will be landscape planted with open lawn and coconut trees.

Standard services and amenities for the recreational pool areas will include lounge chairs and cabanas, food/bar service, and other services associated with pool use (towels, etc). The new pools are specifically designed without "children's features" to discourage noisier activities at these pools. Features designed for more "active" pool use such as slides, sandboxes, and thematic elements designed for children (a pirate ship) are located at the central pool located between the wings of the existing Maui Ocean Club. Pool and pool bar hours will be during primary daylight hours, typically 7AM to 7PM.

Elevations, sections, floor plans, and unit plans for the proposed towers and parking facilities are included in (Exhibit 10 thru 14).

REVIEWING AGENCIES

Agency	Date	Summery Comments	Exhibit
Department of Housing and Human Concerns	1/23/03	Current plans call for a total of 738 units, 18 more than the 720 hotel units previously approved. How is the Affordable Housing requirement being met?	15
Department of Water Supply	2/10/03	Believes the project estimate of water is low and that a range from 48k to 70k GPD be used. The Honokowai aquifer has a sustainable yield of 8 MGD. Current pumpage is 2.898, which may be low. Meet fire standards, conserve water and use BMPs.	16
Department of Parks and Recreation	2/18/03	No comments at this time	17

Department of Public Works and Environmental Management	2/27/03	Waste water capacity is available, but can not be ensured till building permit (BP), fund any necessary off-site improvements to collection system and pump stations, waste water calculation required before BP, sewer easement will not be accepted if traverse private property, kitchen facilities shall comply with pretreatment requirements (grease traps), non-contact cooling water and condensate cannot drain into wastewater system, sign hold harmless, comply with grading and BMPs.	18
Police Department	2/20/03	Little if any impact on police services, limited impact on roads and highways.	19
Department of Accounting and General Services	2/3/03	No objections	20
Department of Transportation	2/3/03	Hotel to timeshare not anticipated to have a significant impact on State transportation facilities. If applicant deviates from the plan which increase the units over 720, a TIAR should be done.	21
DBEDT, Energy, Resources and Technology Division	2/5/03	Notes State energy conservation goals, recommend the use of energy saving design practices and technologies, develop recycling and use recycled-content products.	22
Department of Health, Maui Division	2/14/03	Applicant is aware of the requirement for fugitive dust, noise permits and NPDES permit coverage.	23

Office of Hawaiian Affairs	2/19/03	The project alone does not have tremendous effect on the shoreline or the socio-economic infrastructure of Maui County. OHA believes a long-term plan for Ka`anapali resorts needs to be developed. Concerned that access to the shoreline and view shed from ocean be maintained. Ensure that state law regarding cultural deposits be followed.	24
Department of Land and Natural Resources (DLNR), Land Division	2/13/03	No comments	25
DLNR, Division of Aquatic Resources	2/10/03	Significant adverse impact to public aquatic resources values not expected. Precautions shall be taken during demo and construction.	26
DLNR, Division of Forestry and Wildlife	2/3/03	No comments	27
DLNR, Maui District Land Office	2/4/03	No comments	28
DLNR, Historic Preservation Division	2/25/03	No archaeological reports documenting the burial found in 2000 nor has an archaeological monitoring report been remitted to Historic Preservation Division. No construction activity may commence until an accepted Monitoring Report and Inventory Survey report and Burial Treatment has been accepted.	29

DLNR, Historic Preservation Division	8/25/03	A monitoring report has been received, concur that monitoring is the recommended mitigation for all future work and find the report acceptable. A burial treatment plan for Site 50-50-03-4985 must be reviewed and accepted by SHPD Burials Site Plan and MLIBC.	30
Office of the Director of Civil Defense	3/5/03	No outdoor warning system enhancement required by the developer.	31
USDA, Natural Resources Conservation Service	2/11/03	No Comments	32
Department of the Army	2/17/03	No DA Permit required. Flood hazard info correct.	33
MECO	2/5/03	No objections	34

ANALYSIS

LAND USE

- 1. The subject property is in the State Urban District. The proposed uses are consistent with the Urban designation of the property.
- 2. The project site is zoned H-2 Hotel. The hotel district is described by the Maui County Code as a high-density multiple-family area bordering business districts and oceanfront areas. Relevant uses listed in the code include hotels, automobile parking lots and buildings, bars, restaurants, shops, and tour and travel services agencies. Timeshare facilities are considered appropriate uses within the hotel district
- 3. 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:

"The purpose of the General Plan is to recognize and state major problems and opportunities concerning the needs and the development of the County and the social, economic and environmental effects of such development and set forth the desired sequence, patterns and characteristics of future development."

The applicant states that the proposed action is in keeping with the following General Plan objective and policies:

Policies:

Establish shoreline rules to maintain traditional beach access, beach use, and lateral access along the shorelines.

Objectives: (Visitor Industry)

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

To control the development of visitor facilities so that it does not infringe upon traditional, social, economic and environmental values of our community.

Policies:

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.

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

Locate buildings as to retain scenic vistas.

Objectives: (Visitor Industry)

To ensure that visitor industry facilities shall not disrupt agricultural and social pursuits and will not be allowed to negatively impact the County's natural and cultural resources

Policies:

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

Encourage the preservation of open beach space by maximizing the use of lands presently designated by community plans for visitor facility use and discourage rezoning of other lands for such use.

4. According to the West Maui Community Plan the property is designated for Hotel and is consistent with the land use map of the Community Plan. According to the Applicant, the proposed action is in keeping with the following Community plan recommendation:

Goal: (Economic Activity)

A diversified economy that provides a range of stable employment opportunities of 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 communities quality of life and the environment.

Objectives and Policies:

Promote a diversified economic base which offers long term employment to West Maui residents, and maintains overall stability in economic activity in the areas of:

- Visitor-related service/commercial services
- Recreation-related service/commercial services
- Expand light industrial and service commercial activities in appropriate locations to accommodate the region's needs.
- ► Encourage a diversity of visitor-oriented commercial offerings at the resort destinations...
- Maintain a stable and viable visitor industry
- ► Encourage the renovation and improvement of existing visitor facilities without a substantial increase in the room count. Promote activities and industries that compliment and support the use of existing visitor industry facilities, such a sporting events, eco-tourism, and conferences.

The project conforms to the guidelines with The Maui Coastal Scenic Resources Study. Avoiding Major Visual Intrusion and Site Plan Configuration—Developments should be designed to avoid "walling-off" ocean or mountain views.

The project is not located along a public corridor and has been designed with ample setbacks and site placement to allow for visual relief.

Building design and Height limitation— The overall features of building design, size, shape, height and other qualities should be required to reflect a consistency with their natural setting. Although height limitations may vary depending upon the particular location, no structure should be permitted to block or substantially obscure significant coastal or mountain vistas from places or points of common public views. Clustering building to create open spaces and "crenelating" or varying the roof profiles are examples of this guideline.

The project is does not block or substantially obscure significant coastal or mountain vistas from public places or public views. The applicant has designed the buildings with varying roof profiles. The project will create additional open spaces along the shoreline area.

Roof Appendages – Roof appendages (i.e. stairway or elevator towers, air conditioning units, ventilation equipment, etc.) Should be screened from view or integrated into the design of the roof structure (rather than as a "box on top"

The applicant has integrated the appendages into the building design and will use the latest elevator technology with reduces the roof top intrusion of the elevator shaft.

5. Zoning - The project is compatible with the following restrictions established for

the H-2 (High Density) Hotel Zoning

<u>Category</u>	Zoning Restriction	<u>Proposed</u>
Height	12-story	12-story
Lot Coverage	35%	28%
FAR	150%	130%

AGRICULTURE

The proposed improvements are not located within the agricultural district.

The U.S. Department of Agriculture, Natural Resources Conservation Service has no comments to offer on the proposed project.

ARCHAEOLOGICAL, HISTORIC AND CULTURAL RESOURCES

Prior to disturbances by agricultural and resort development, the Ka`anapali Beach sand dunes were utilized for human burials. A discovery of burials was documented during the construction of the Ka`anapali Ali`i residential condominium just north of the Marriott. The site contained a maximum of 6 individuals and was found approximately 100 meters inland from the shoreline. The record concluded that the burials were of commoners dated from between 1700 and 1800 (Dobyns & Allen-Wheeler, 1982). Recent work in the Marriott Resort's courtyard in July 2000 revealed skeletal fragments of one and possibly more individuals that were disturbed during prior development. Otherwise, there are no known historic resources on the subject property.

Scientific Consultant Services (SCS) conducted an Archaeological Inventory Survey at the project site in November 2002. With input from the State Historic Preservation Division (SHPD) of the State Department of Land and Natural Resources (DLNR), SCS selected four backhoe trenches, which were excavated in the proposed construction areas. The excavations consisted of mainly imported fill; no cultural remains were identified. However, according to the study, the presence of at least one burial, recently reported in the middle portion of the lot, suggests pockets of cultural material may still exist. In view of the information, and after consultation with the Maui Island State Historic Preservation Division representative, the consultants have recommended monitoring for all below surface excavation during the proposed development.

While recent subsurface investigation has yielded no cultural findings, there is potential for sub-surface discovery during construction activities. Prior to construction, a construction-monitoring plan will be submitted to the HPD for review and approval. The plan will specify that if cultural materials are discovered during construction, work in that

area will stop, and HPD and the Maui Island Burial Council will be informed and consulted for proper treatment.

The Department of Land and Natural Resources, Historic Preservation Division (DLNR,HPD) has reviewed the application and has received a monitoring report for the project and found it acceptable. DLNR, HPD concurs that monitoring is the recommended mitigation for all future work involving subsurface excavation on the parcel. Site 50-50-03-4985 was identified in a fill deposit. This fill my contain additional human skeletal remains.(Exhibit 30)

INFRASTRUCTURE AND PUBLIC FACILITIES AND SERVICES

Water -- The Department of Water Supply states that the initial estimates of 48,300 gpd are a bit low and suggest a range between 48,000 and 70,000. The water for the project is from a private water service provider. The Honokowai Aquifer has a sustainable yield estimated at 8 MGD. Current pumpage is 2.898 MGD. The applicant should be required to meet standards for fire, domestic and irrigation services and remit calculations.

The applicant should integrate water conservation techniques as well as Best Management Practices for pollution prevention to the project design and construction.

DWS also notes that the 1996 West Maui Community Plan lists an objects to "Study the feasibility of integrating all regional water system into a public water system to be managed and operated by the County."

In a response letter dated July 8, 2003 (Exhibit 16A), the applicant has integrated the higher number. The Final EIS addresses the water issue under Design Option 5 of the propose development, although the 300-gal/day rate incorporates some units that have lockouts, a more conservative figure of 350 gal/day is used. A theoretical maximum use, assuming that every lockout unit of the Sequel addition would be utilized, and assuming that every unit was to be at the higher per unit use (350 gal/day) would result in a demand of 96,600 gpd (276 keys x 350 gal/day). It should be noted such a utilization of lockouts is considerably inconsistent with use patterns at similar timeshare facilities operated by MVCI, and therefore such a calculation may be helpful in determining the adequacy of capacity, but would not reflect typical use. A more consistent projection of the number of parties that will occupy the Sequel project is around ~159. Using the conservative rate, use would be approximately 55, 650-gal/day. Since the available surplus capacity of water supply is in the range of 800,000 gal/day, capacity is available to the Sequel project under any of these projections.

The applicant states that they will remit fire, domestic, and irrigation calculations as required during the building permit process, fire flow for the project is 2,000 gpm.

The applicant is a customer of the private water system and not the owner of the system. Therefore, integration of the water system is not in their control.

BMP's will be remitted as part of the building and grading permit portion of the project.

Sewers -- The Department of Public Works and Environmental Management states that although waste water capacity is available, capacity cannot be ensured until building permit. No assessment fees are required at this time, however, they will be required to fund off-site improvements to collection system and wastewater pump stations. Contribution calculation are required prior to issuance of a building permit and must indicate owner of each easement on plans. Kitchen facilities within the proposed project shall comply with pre-treatment requirements (including grease interceptors, sample boxes, screens, etc.) Applicant can not drain non-contact cooling water and condensate into wastewater system. Hold-Harmless agreement should be executed and is required before Wastewater Reclamation Division will give recommendation for final subdivision.

In a letter dated July 8, 2003, (Exhibit 18A) The applicant is aware of this condition and will comply.

Drainage -- According to preliminary engineering calculations, the post development onsite surface runoff volumes generated from Areas 1 and 2 are expected to be approximately 11.9 cfs and 16.4 cfs, respectively for a 50-yr. recurrence interval 1-hour duration storm. Therefore, these project sites will have a net decrease of approximately 0.7 cfs. The primary reason for the decrease in onsite surface runoff is due to a reduction in impervious areas and an increase in landscape area.

The proposed drainage plan for the subject project is to intercept portions of the surface runoff generated after development and convey the intercepted surface runoff to a new subsurface detention facility to be installed in both Areas 1 and 2 where space permits. The new subsurface detention facilities will be connected to the existing dry wells to provide additional retention capacity.

The Department of Public Works and Environmental Management states that the project must comply with the provisions of the County grading ordinance and drainage rules. Bet Management Practices must be installed and maintained during construction. The grading ordinance restricts the use of soil as fill within the shoreline area, except for clean sand and that grading of coastal dunes is prohibited.

In a letter dated July 8, 2003 (Exhibit 18A), the applicant states they will comply with the provisions of the grading ordinance.

Roadways, Curbs, Gutters and Sidewalks -- Since the existing project is undergoing a conversion that drastically reduces the number of guestrooms, traffic generated by the project is anticipated to decline. The conversion entails converting the original 720-unit hotel to a 312-unit (timeshare) facility by converting 2 to 3 hotel units into a timeshare suite. The Hotel is approximately half way through the conversion, which was originally approved for 340 units.

Between 500 and 650 parties would be staying at the resort during typical hotel occupancy (70% and 90% occupancy respectively). At average occupancy $(\sim 80\%)$, 576 parties would be staying at the Hotel.

The Maui Ocean Club conversion project reduced the number of guestrooms at the Hotel, which is anticipated to lower the party count to approximately 317 parties upon completion and sale of the units.

The Sequel Project entails building 143 new timeshare suites. The greater number of units will increase the average stabilized guest load of the entire project to ~1460, which is essentially the same average load during the hotel period. The configuration of the visitor population will be fewer (but larger) parties (~475).

Since the average party count under the project is anticipated to be approximately 100 less than during the Hotel period, it is reasonable to assume that traffic will be less than during hotel use.

A Traffic Impact Assessment for the project was prepared by Phillip Rowell and Associates; a summary is attached as Exhibit 35 in the report. The methodology of the analysis included measurement of existing traffic generated from the project, background traffic levels, and extrapolating of future traffic conditions with and without the project (with the future design year of 2007). Measurement of current traffic conditions shows that intersections in the study area were operating at acceptable levels of service, with the exception of the left turns movement from Nohea Kai Drive to Ka`anapali Parkway during the PM peak hour. Per vehicle delays for this movement were measured at 54 seconds resulting in a "level of service" grade "F". The level of service rating system categorizes traffic flow in a scale from A to F reflecting best to worst conditions respectively. Service levels A-D are typically considered acceptable peak hour conditions in urban areas.

Based on the TIAR, at the design year (2007) most intersections in the project area will operate at acceptable service levels. Problem traffic movements include left and right turns onto Ka`anapali Parkway from Nohea Kai Drive. Left turns from this intersection will operate at a level of service "D" in the AM peak hour and "F" in the PM peak hour. Right turns from the intersection will operate at level of service "B" in the AM peak hour and "D" in the PM peak hour. 2007 traffic levels accounted for general 1.6% annual growth along the roadways, an (estimated) 100–unit expansion of the Hyatt Regency (also located on Nohea Kai Drive), and additional growth of traffic on Ka`anapali Parkway due to residential and commercial projects in the Resort that are under construction or have received developmental approval.

The study estimates that the project will add 20 trips to the AM peak hour traffic and 1 trip in the PM peak hour traffic on the adjacent street (Nohea Kai Drive). This amount of traffic is marginal, and below the threshold identified by the Institute of Transportation Engineers (100 trips) as the point where a traffic impact study should be prepared. Maui County has not established a threshold value. According to the modeling used in the analysis, the

increase due to project related traffic will not affect the level of service of any traffic movement at the intersection of Nohea Kai and Ka`anapali Parkway. Even less traffic due to the project would be anticipated at the Ka`anapali Parkway/Honoapi`ilani Highway intersection.

The applicant also studied Construction-Related Traffic Impacts. Construction of the project is anticipated to occur between 2005 and 2008. During this period, traffic in the general area will increase due to the arrival of construction personnel, the transportation of construction equipment and vehicles, the delivery of construction materials, and the off-site recycling or disposal of construction wastes. Construction vehicles and delivery vehicles in particular may be oversized and slow moving, providing an inconvenience to local traffic movement. Additional concerns may include damage to local roadways from construction vehicles and the occupation of available parking by construction workers.

The applicant has proposed the following mitigation measure for construction related traffic related impacts:

- 1. Restricting the deliveries during peak traffic hours to limit the inconvenience to motorists
- 2. Restricting on-street parking of construction vehicles
- 3. Requiring the project contractor to repair any damage caused to local roadways
- 4. Requiring the project contractor to locate part or all of the construction-related parking facilities off-site, and provide shuttle services from the parking area to the project site for construction workers
- 5. Scheduling the arrival and departure of construction workers to avoid peak traffic periods where practical

In the past the Planning Department has had complaints of construction workers using beach access parking.

The Department of Transportation states that project will not adversely impact DOT facilities.

The Police Department states the project will not have a major impact on Police services and do not contest the traffic studies conclusion that the project will have limited impact on roads and highway facilities.

No comments regarding roadway facilities were raised by the Department of Public Works and Environmental Management.

Electrical and Telephone -- Services are currently provided and available to the project site. MECO has no objections to the proposed project. No impacts are anticipated as a result of this project.

Parks -- No improvements to park facilities are proposed under the current project. Although the project site has 20 beach access stalls on the property, beach parking for local residents continue to be a problem in Ka`anapali. The applicant will provide an additional 10 stalls and relocate some of the existing parking stalls to a more accessible area to beach goers.

The Department of Parks and Recreation has no comments to offer. The project is not anticipated to adversely impact existing park facilities.

Schools -- The Sequel Project will create lodgings for transients, not residents, and hence will not include students in local schools. No direct impact is expected.

Solid Waste -- No adverse impacts on solid waste resources are anticipated. Construction solid waste will be handled in accordance with the County's solid waste policy, recycling materials that may be reusable whenever feasible.

The proposed project will involve the demolition of the existing parking structure, ballroom, tennis courts, and on-grade parking areas. Preliminary discussions with the general contractor have indicated that certain materials from demolition, such as steel members and re-bars will be shipped to Oahu for re-cycling. Other construction materials such as concrete and asphalt may be crushed and re-used for fill material, where feasible.

The Department of Public Works and Environmental Management had no comments to offer regarding solid waste.

Public Services --West Maui has a population of about 18,000 residents and, on average, 23,000 visitors. The additional visitor population attributable to the Sequel project about 571 persons) and employees in direct contact with them – at most 240 workers in West Maui – amount to a service population increase of 1.9%. Hawaii's police departments face manpower shortages due to budget limits and the challenge of recruiting. If the Maui Police Department is to maintain or increase the ratio of officers to its service population, it will need to increase the number of policemen over the coming years. The share of that increase attributable to the Sequel Project would be about a quarter of an officer's time. (That estimate is calculated as follows: 15 officers/41,000 persons in West Maui x 811 additional persons = .0297.

The project will be built to current fire codes, and so will be less likely to involve fire hazards than older structures. Plans will need to be approved by the Prevention Bureau of the Fire Department. If the project is built to current codes it should not represent an added impact on the Fire Department's resources. The ladder in West Maui is currently 85 feet long, so it would not reach the top stories of the proposed Sequel Project – nor existing structures greater than 85 feet in height.

Medical services are provided on an island-wide basis, not just for the district. The increased population associated with the project amounts to less than 0.5% of the de facto population of Maui Island. While the ongoing growth in population in West Maui may, sooner or later, make creation of a new emergency clinic or hospital in the region necessary, the share of demand from the Seguel Project is very small

The Police Department states that the project will not have a major impact on police services.

SOCIO-ECONOMIC IMPACTS

In the long term, the proposed project will add about 86 permanent employees, raising the total to 536 (not counting temporary sales staff). According to the Applicant, this is the same level that was employed by the hotel.

Initial comments by the Department of Housing and Human Concerns stated that 18 units of the 738 key time share complex would be subject to Chapter 2.94. Since the preferred alternative no. 5 is being sought, the key count is 717. As such the project is excluded from the affordable housing requirements of Chapter 2.94 of the Maui County Code.

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.

The proposed project include the demolition of hard surfaces within the shoreline setback area. The Shoreline fronting the Kaanapali Beach Resort is subject to dramatic shifts in the shoreline during seasonal storm surges. However, the long term erosion rate is relatively stable according to the Shoreline Erosion Map developed by the University of Hawaii and adopted by the Maui Planning Commission as part of the new shoreline rules for the Island of Maui.(Exhibit 36)

The Department of Health states the applicant is aware of the fugitive dust abatement, noise permits and NPDES permit coverage.

DLNR, Division of Aquatic Resources states the project will not have a significant adverse impact to public aquatic resource values. Further, the project should not impede, inhibit or endanger public passage and enjoyment of the shoreline. Precautions should be taken during construction and demolition to prevent debris, eroded soil, petroleum products, landscaping chemicals, and other potential contaminants from flowing, blowing or leaching into the coastal waters.

The applicant will be using Best Management Practices to control liquids, runoff, airborne matter.

The project will increase the amount of open space/landscaping long the shoreline. This may result in increase fertilizer being used in the area.

Based on agency comments, the project is not anticipated to adversely impact wetlands, flora, fauna, dune ecosystems, stream ecosystems, marine ecosystems, natural features, open space, and view corridors.

OTHER GOVERNMENTAL APPROVALS

The project was reviewed by the Maui Urban Design Review Board on January 20, 2004. The Board reviewed the design of the project and voted to recommend approval of the projects design, as presented, to the Maui Planning Commission.

TESTIMONY

As of February 13, 2004 the Planning Department has received two Petitions to Intervene on the project. One by Donna Y. L. Leong representing the AOAO of Kaanapali Alii Condominium's and Ka`anapali Alii Rental Owners Corporation and by Isaac Hall representing various owners of Ka`anapali Alii and some members of the Kaanapali Alii Friends of the Environment.

There were a number of comment letters regarding the projects EIS and SMA, all of these were attached in the Final EIS adopted by the Commission. A summary list of these letters is attached. (Exhibit 37) One letter has been received since the Final EIS.(Exhibit 38)

No Recommendation will be issued at this time pending resolution of the two Petitions to Intervene.

APPROVED:

MICHAEL W. FOLEY Planning Director

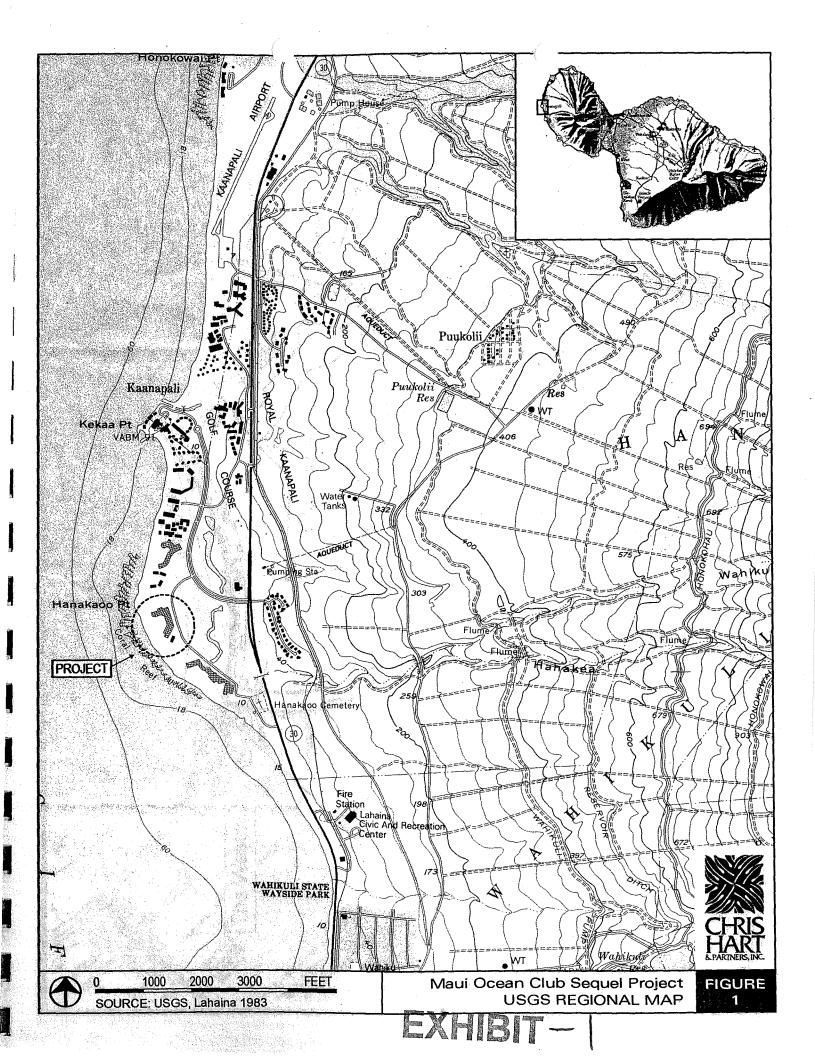
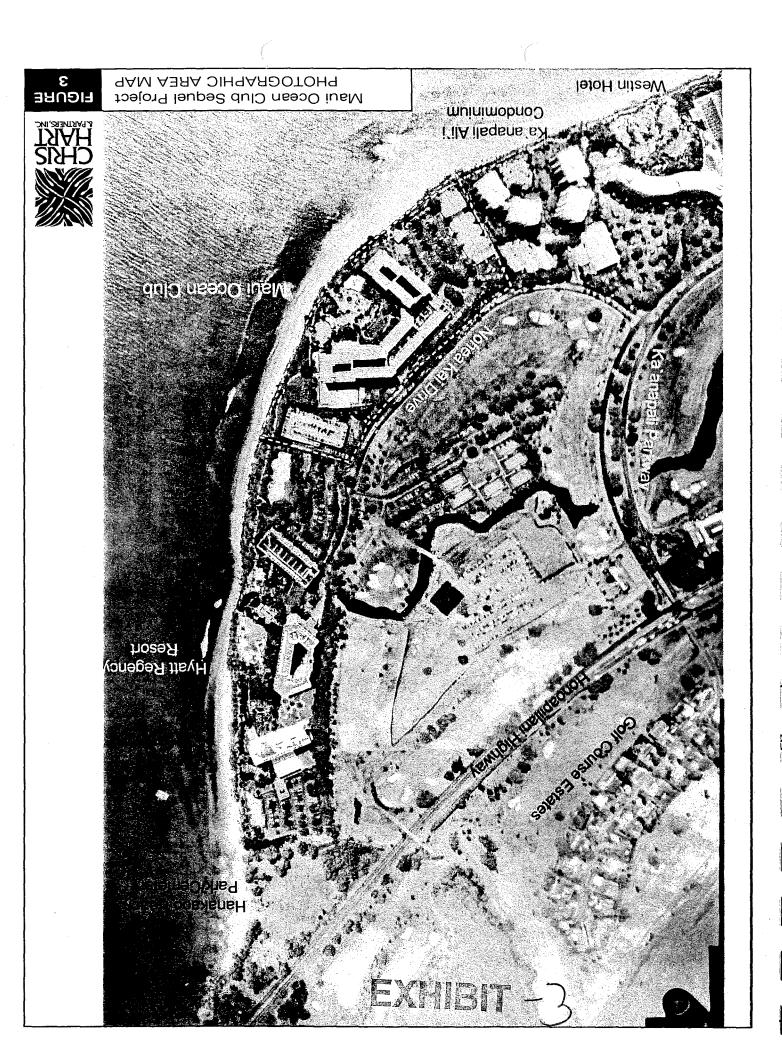
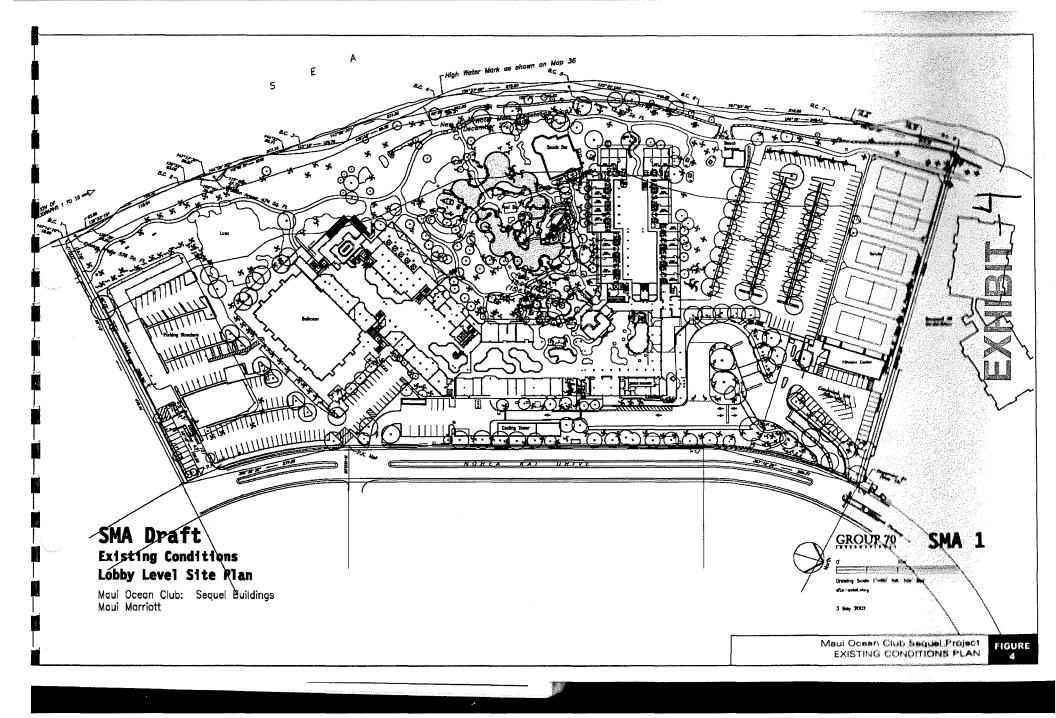


FIGURE S Maui Ocean Club Sequel Project REAL PROPERTY TAX PARCEL MAP he Westin Kaanapali Alii Kaanapali Golf Course Lahaina, Maui, Hawaii TMK: 4-4-013:001 ** Kaanapali Parkway MARRIOTT MAUI OCEAN CLUB Nohea Kai Drive **(1)** #CD Monoapillami Huyle 10.805 Ac **Hyatt Regency** CH. 400 113 CM John on

EXHBIT-2







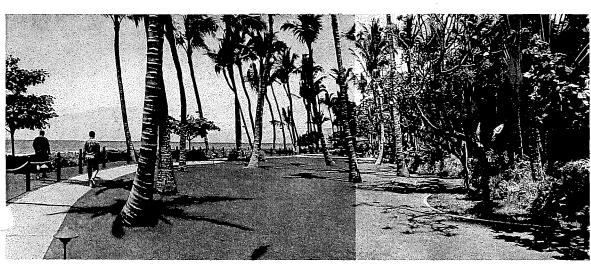
South area Beach ROW along Parking Garage



North area on-grade parking lot, tennis courts to right



North area on-grade parking lot, tennils courts, and Ka'anapali Ali in background



South area Beach Walkway, landscaped area, and Parking Garage



North area Beach Walkway adjacent to tennis courts.

Maui Ocean Club Sequel Project PHOTOGRAPHS OF THE PROJECT SITE

FIGURE

JAMES "KIMO" APANA Mayor

JOHN E. MIN
Director

CLAYTON I. YOSHIDA Deputy Director



COUNTY OF MAUI DEPARTMENT OF PLANNING

February 24, 2000

Mr. Christopher L. Hart, Project Manager Chris Hart & Partners 1955 Main Street, Suite 200 Wailuku, Hawaii 96793

Dear Mr. Hart:

Project Name:

Maui Ocean Club

TMK:

4-4-013:001

I. D. No.:

SM1 990008

At its regular meeting on February 22, 2000, the Maui Planning Commission (MPC) reviewed the above-referenced subject request and after due deliberation, voted to grant approval, subject to the following conditions:

STANDARD CONDITIONS OF APPROVAL

- 1. That construction of the proposed project shall be initiated by February 28, 2002. Further, initiation of construction shall be determined as construction of 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 two (2) 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 two (2) year period.
- 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 will automatically terminate the subject Special Management Area Use Permit.



- 3. That final construction shall be in accordance with preliminary architectural plans dated June 1998.
- 4. That appropriate measures shall be taken during construction to mitigate the short-term impacts of the project relative to soil erosion from wind and water, ambient noise levels and traffic disruptions. Precautions shall be taken to prevent eroded soils, construction debris and other contaminants from excessively entering the coastal waters.
- 5. That the subject Special Management Area Use Permit shall not be transferred without prior written approval in accordance with Section 12-202-17(d) of the Special Management Area Rules of the MPC. 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.
- 6. 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 shall procure at its own cost and expense, and shall maintain during the entire period of this Special Management Area Use Permit, 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 nonobservance or nonperformance of any of the terms and conditions of this permit. A copy of a policy naming the 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.

- 7. That full compliance with all applicable governmental requirements shall be rendered.
- 8. 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 and fencing to be used during the construction phase to the Department for its review and approval.
- 9. That the applicant shall submit to the Department five (5) copies of a detailed report addressing its compliance with the conditions established with the subject Special Management Area Use Permit. A preliminary report shall be reviewed and approved by the Department prior to issuance of the <u>Building Permit</u>. A Final Compliance Report shall be submitted to the Department for review and approval prior to issuance of a Certificate of Occupancy.
- 10. That the applicant shall develop the property in substantial compliance with the representations made to the MPC in obtaining the Special Management Area Use Permit. Failure to so develop the property may result in the revocation of the permit.

PROJECT SPECIFIC CONDITIONS

- 11. That a plan indicating the implementation of Best Management Practices (BMP) for maintaining construction debris, contaminants, and material on site shall be remitted to the Department for its review and approval. Said BMP's shall be installed and inspected by the Department prior to initiation of construction.
- 12. That no County or State beach access rights-of-way, parking, or park facilities shall be utilized for storage of construction vehicles, employee parking, material storage, as a wash-down area.

- 13. That a detailed Final Drainage Report and Erosion Control BMP Plan shall be remitted to the Department of Public Works and Waste Management for review and approval.
- 14. That a Sewer Impact Study be conducted on the existing system to substantiate that the existing systems are adequate for the projects. That the applicant shall pay assessment fees for the treatment plant expansion costs, if required.
- 15. That the applicant shall consult with the Department of Health (DOH), Underground Injections Control regarding the project sites seepage pits and drywells and obtain any required DOH permits. A copy of any DOH permits shall be remitted to the Department to be kept on file.
- 16. That by receiving the approval of this Special Management Area Use Permit, the applicant acknowledges the following: Since it is possible that the shoreline may eventually reach the proposed and renovated structures, the applicant and subsequent property owners are aware of Coastal Zone Management, Special Management Area, and Shoreline Setback Laws for the construction of shoreline-erosion structures which "harden" or "fix" the shoreline or affect beach processes. The County is not required by existing law to permit the construction of such shoreline protection in order to protect structures/facilities within a given property.
- 17. That no water from the swimming pool shall be discharged into the ocean or sanitary sewer system.

Enclosed for your information is a copy of the Department's Report and Recommendation Memorandum dated November 23, 1999 and February 22, 2000.

Thank you for your cooperation. If additional clarification is required, please contact Mr. Joseph W. Alueta, Staff Planner, of this office at 270-7735.

Mr. Christopher L. Hart, Project Manager February 24, 2000 Page 5

Very truly yours,

Conjun I. While For JOHN E. MIN

Planning Director

JEM:JWA:osy Enclosure

c: Clayton Yoshida, AICP, Deputy Planning Director
Aaron Shinmoto, Planning Program Administrator (2)
Joseph W. Alueta, Staff Planner
Office of Planning, CZM File
LUCA (2)
Project File
CZM File (w/Encl.)
General File
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