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2017 MAY 2 PM 1 49
PLANNING DEPARTMENT
COUNTY OF HAWAII

May 2, 2017

VIA HAND DELIVERY

Windward Planning Commission
c/o County of Hawaii Planning Department
101 Pauahi Street, Suite 3
Hilo, Hawaii 96720

Re: Draft Ka'u Community Development Plan
Testimony for Windward Planning Commission Meeting on
May 10, 2017, 5:30 p.m., at the Na'alehu Community Center, 95-5635
Mamalahoa Highway, Na'alehu, Hawai'i
TMK No.: (3) 9-6-002:016; por. of Paaua 1st, District of Ka'u, Hawai'i (the
"Property")

Dear Commissioners:

This firm represents PMK Capital Partners LLC, a Hawaii limited liability company ("PMK"), owners of the above-referenced Property. PMK strenuously objects to the portion of the Ka'u CDP which proposes to reclassify the Property from Industrial to Low Density Urban by the adoption of new Land Use Policy Maps in the Ka'u CDP with the intent that these maps would later form the basis for amendment to the Land Use Pattern Allocation Guide ("LUPAG") Maps in a revised County General Plan.¹ Additionally, PMK's property is improperly targeted in Policy 8 of the Ka'u CDP for rezoning in contravention to the purpose of the Community Development Plans to broadly set polices for their communities.

At no time was PMK specifically contacted for information or input regarding its Property. Yet, the Ka'u CDP Steering Committee specifically targeted PMK's Property without considering the vested rights of PMK, without considering the larger impact to the Pahala community as a whole, and specifically in contravention to, rather than in support of the General Plan.

¹ See Policy 7 of the Ka'u CDP.

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I. BACKGROUND

PMK is the owner of a 67 acre parcel of land in Pahala which is zoned for Industrial Use. The Property overlays the Naalehu aquifer system and will be the site of a new Hawaiian Springs LLC water bottling and distribution center that will help to expand distribution of Hawaiian Springs Water to global markets, specifically in response to the exponential demand for specialty water in Asia. Hawaiian Springs is the dominant brand in the premium Hawaii water market and is the only island-exotic natural water produced in the United States.

PMK obtained Final Plan Approval on October 3, 2016 for its planned Pahala Town Square and Hawaiian Springs Facility.²

Hawaiian Springs' current operations in Keaau are now limited by the parcel's size, which precludes expansion of the existing bottling plant to fully utilize the well and pump capacities. The Pahala Property was the location of a former sugar cane mill, which has since been demolished.

Land Use Policy 7 and 8 of the Ka`u CDP provide as follows:

Policy 7 With the adoption of the Ka`u CDP, Figures 2,3,4,5,6, and 7 on pages 43 through 48 are adopted as the official Land Use Policy Map for the Ka`u CDP planning area. . . . Future land use decisions in the Ka`u CDP planning area shall be consistent with the Land Use Policy Map boundaries, definitions, and policies herein.

Policy 8 In the "Low Density Urban (LDU)" Land Use Policy Map category in the Ka`u CDP planning area, changes of zone shall only be permitted to Single-Family Residential (RS), Multiple-Family Residential (RM-7.5 or higher), Residential-Commercial Mixed Use (RCX-7.5 or higher), or Open (O).

In Pahala, this policy supports a rezone of TMKs (3) 9-6-002:016 & 023:034 from Agricultural (A-1a) and Industrial (ML-20 and MG-1a) to RS and/or O to take advantage of existing water and road infrastructure.

Note that Policy 93 on page 74 specifies that the focus of future water system improvements shall be on existing systems to support infill growth within the CDP growth boundary [emphasis added].

² See Final Plan Approval (PLA-16-001332) dated October 3, 2016

II. ARGUMENT

Economically, Ka`u is still recovering from the Ka`u sugar plantation closure in 1996. As noted in the General Plan and in the July 2010 Draft Community Profile (Appendix V.3 of the Ka`u CDP) there are only approximately 52 acres of industrial zoned lands in the Ka`u district, and commercial activities in the Ka`u district are concentrated in the community of Pahala which was built around a former sugar mill, once the major employer of the area. (See pp 111 - 112 Appendix V. 3 Ka`u CDP and County of Hawaii General Plan, Section 14.3.5.9.1 and 14.4.5.9.1). It is on a portion of this same site which PMK plans to develop a new industry for the area, one which supports one of the three pillars of rural life: "livelihood" as supposedly supported by the Ka`u CDP.³

According to the 2000 Census (post-closure of Ka`u Sugar), of those over 16 years of age, nearly 50% were unemployed - in Pahala that number was 42.6%.⁴ Yet, the Ka`u CDP in its present form would decrease the opportunities for much needed jobs in the community where there are only 493 available jobs and most who are employed commute out of Ka`u.⁵

According to the General Plan, the Community Development Plans are intended to translate the broad General Plan statements to specific action as they apply to specific geographical areas. For Industrial Zoned property, the General Plan provides the following goals:

(a) Designate and allocate industrial areas in appropriate proportions and in keeping with the social, cultural, and physical environments of the County.

(b) Promote and encourage the rehabilitation of industrial areas that are serviced by basic community facilities and utilities. *See* General Plan Land Use- Industrial section 14.4.2 Goals.

The Industrial use of the Property supports these goals in the General Plan, and also supports the following policies set forth in the General Plan Section 14.4.3:

...

(b) Achieve a broader diversification of local industries by providing opportunities for new industries and strengthening existing industries.

(c) Locate industrial areas convenient to transportation facilities, and provide a variety of industrial zoned districts and lot sizes, depending on the needs of the industries and the communities.

³ See Section 1.2.2

⁴ See p. 182 July 2010 Draft Community Profile (Appendix V.3 of the Ka`u CDP)

⁵ See p. 185- 186 July 2010 Draft Community Profile (Appendix V.3 of the Ka`u CDP)

...

(e) Industrial development shall be located in areas adequately served by transportation, utilities, and other essential infrastructure.

Even more specifically, the General Plan discussed increasing the Industrial zoned lands surrounding the former Pahala Mill site from its current 33.6 acres to 81.5 acres, to support development on the site, which development was being contemplated by C. Brewer at the time. Amongst the courses of action of the Ka`u area was to "identify sites suitable for future industrial activities as the need arises." See General Plan, Section 14.4.5.9.2.

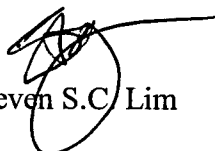
The Ka`u CDP as it relates to the Property, and specifically Policy 7 and Policy 8 not only do not support the General Plan, but are in fact contrary to the specific goals and policies and objectives cited above. The Ka`u CDP cannot be contrary to the General Plan. As stated above, the Community Development Plans are to translate the broad General Plan statements to specific action as they apply to specific geographical areas. The current General Plan LUPAG map shows the Property in the Industrial (*ind*), Medium Density Urban (*mdu*) and Low Density Urban (*ldu*) designation. Thus, with respect to the Property, the Ka`u CDP has failed to support the General Plan, and PMK objects to the Ka`u CDP's Policy 7 and Policy 8 for these reasons.

III. CONCLUSION

PMK was not asked about its plans for the Property by the Steering Committee, nor was the question asked how PMK would contribute to the community. PMK's plans for development of the Property for the proposed Pahala Town Square and Hawaiian Springs Facility are consistent with the General Plan LUPAG map designation.

The adoption of the Ka`u CDP in its present form would curtail PMK's full use of the Property and restrict further development of the Property. PMK asserts that the long-term effects of Policy 7 and Policy 8 of the Ka`u CDP as they relate to the Property were not properly considered by the Steering Committee, are contrary to the General Plan, and we urge the Planning Commission to reject these Policies.

Sincerely,


Steven S.C. Lim

cc: Client
Mayor
Councilmember Maile David