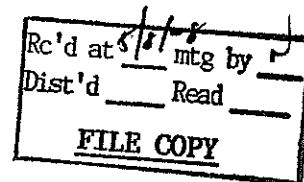




Date: May 8, 2008

Mr. Rodney Watanabe, Chairman
Planning Commission
County Building
25 Aupuni Street
Hilo, Hawaii 96720



Re: **Puna CDP**

Dear Mr. Watanabe:

As you may be aware, W.H. Shipman has a long history in the Puna District. Its lands are used for agricultural, residential, commercial and government purposes. Inevitably, Shipman will be called upon to participate and contribute to further development of such uses. Many of us at Shipman are also residents of the district and vitally concerned about its future. As evidence of our commitment to the district, Shipman has donated land to the community for police and fire stations, roads such as the Keaau By-Pass, parks, gyms, schools and many other community needs. We have reviewed the Puna Community Development Plan Final Draft now under consideration and have several concerns about the process used in formulating the plan, the assumptions made, and the practical negative effects the plan will have:

- **Process** – To truly be a “Community Development Plan” the process must ensure the full range of community participation. As you consider this plan we encourage you to ask questions that deal with the process:
 - **How was the process set up?** Was it set up in an inclusionary way to ensure that voices would not only be heard but would have a meaningful hand in the decision making? Note that in addition to major landowners (who were specifically voted out of the decision making process), residents who could trace their family involvement back for generations were either left out or not replaced, educators, public service groups (i.e. Police and Fire), retailers, members of the industrial park community, engineers, retirees, and residents of the many plantation camps were not part of the decision making group (i.e. Steering Committee).
 - **What was done to ensure that the community remained engaged in the process?** Simply stating that the opportunity for community involvement was there is not enough. Key parts of our community were either not initially invited to participate at critical stages or began to



disengage partway through. Plan developers needed to take steps to engage or reengage them. Too often we hear a dismissive complaint that many don't participate or quit along the way, rather than an acceptance that this is part of the inclusivity challenge. The challenge the architects and managers of the process had was to continue to keep it fresh and engaging. This is no easy task, but it was the task nonetheless.

- **Were steps taken to ensure that all interested major stakeholder groups would be involved in providing input and remain part of decision making on the plan leading to a final report?** The process should have ensured that the stakeholders identified the issues at hand, shared information and illuminated the economic, social and other perspectives which can affect the ability for any plan to succeed, and then come up with a document for which necessary information was provided. Working through differences that may arise in the discussion of the issues is what marks a cohesive community charging forward together with a plan all can believe in.

As a resident of Puna whose company is a major stakeholder, I believe the process fell well short of this goal. (See attachment #1 for several examples of how community input diverges from the PCDP).

- **Growth Management** – While we and other stakeholders were allowed to be involved at certain of the growth management group meetings, the end result is not recognizable as something that we believe this group developed and is not realistic. As a property owner which has struggled to work through the economics and dynamics of developing Keaau Village and the Regional Shopping Center site (Gateway) we at W.H. Shipman can assure you that the limitations placed on retail space both on a per store and on total village found in Table 5-1 do not work. Had those numbers been presented to our group for input, we would have had the opportunity to explain the problems that they would cause.

We have two concerns here: 1) such constraints will either cause retail for Puna to remain in Hilo or 2) result in less than optimal developments including strip malls that we have understood the community specifically does not want.

On the first of the above concerns, one has to ask whether this solution for Puna is the best solution for East Hawaii. It would result in increased congestion in locations already congested and increased travel time, traffic and inefficient fuel consumption to get there. (This brings up another issue before you: If given several separate plans (CDP'S) do we end up with solutions optimal for each district but suboptimal for the whole?)



It makes us wonder if the plan developers framed the issues and questions properly. For example, did these process managers probe — “If retail is restricted in this area, where will residents shop? What impact would that have on roads, traffic patterns, energy conservation, and family. What if Hilo says “no” to more of a particular service, and Puna says “no” ... who will provide it for our growing population?” Further one has to wonder whether the writers considered the 2005 General Plan itself. The General Plan (p 14 – 26) calls for Kea’au to carry a greater part of the commercial load than other regions in Puna stating: *Expanded commercial services to the needs of population growth in the Puna District shall be encouraged in Kea’au.* This comment is in line with Shipman’s Community Master Plan for Kea’au but eliminated from the PCDP.

During Growth Management group meetings, we faced the issue that Puna needs a stable job base. Keeping retail and services for Puna in Hilo, we saw, did not contribute to stable employment for Puna. Rather we suggested retail AND industrial growth in both Keaau and Pahoia among others. Yet, the thrust of the Final Draft Report is to build agricultural and IT opportunities in Puna. By implication other needed jobs and services for the region would be housed elsewhere. This solution contributes to increased traffic, reduced economic stability and urban sprawl. Small retail centers spread throughout the district will not generate the jobs that we need nor provide all necessary services and opportunities. Agriculture cannot make up the difference in jobs needed.

This brings up one more concern: what data was provided for the Working Groups and Steering Committee to work with? When Shipman worked through its master plan it was guided in part by a professional marketing analysis of district needs. Without data such as this one cannot know whether a plan provides the needed space for jobs, services, retail, education and agricultural needs. Without such data to at least consider – what do we really have?

- **Agricultural Issues** – The report commits the County to purchasing agricultural properties and to then leasing them out to start-up farmers. This is particularly troubling to W.H. Shipman. Aside from the public purpose implications this presents, this implies that such opportunities do not now exist. On two occasions I spoke before the Steering Committee to suggest that this function could better be done by the private sector. Each sector within our society is tasked with certain responsibilities. Operating agricultural lands is a function that few would assign to government. For the record Shipman holds about 5,000 acres farmed actively in diversified agriculture in Puna – by start up farmers, some of whom just started this year. Individuals including Richard Ha have begun their farming careers and been very successful on lands that we manage. Our vision is simple – do what it



takes to keep the farmer healthy as long as he is doing what he himself can do. Farms, farm markets and the vagaries of environment and weather are not lineal. They move up and down and every which way. Managing farm lands requires an extreme amount of flexibility if it is to be successful. Could the governments operate this way? Probably not; governments operate within strict rules, regulations and pounds of paperwork. We need only to look at the Kanoelehua Industrial area to see what happens with government management of business lands. Bringing government into this arena will not help the growth of agriculture in Puna.

On behalf of W.H. Shipman, I must make one final note. Section 5.2.3 on page 5.8 states that **“There is no community-based plan for Kea’au**, but the principal landowner, Shipman Estate, has a master plan . . .” In fact Shipman’s plan is a community-based plan – which has been pointed out on every introduction to it. We included more than 15 community members (including many groups missing from the Puna CDP) supplemented by consultants, government officials and employees. The final result was based on community discourse and decision making. Discussions were robust. The end result is a master plan that we are all pleased with. Ironically, the PCDP would be quite destructive to the plan this community came up with.

Thank you for taking the time to consider the areas of our greatest concern. All who have been involved in this process hope for a better Puna and we can certainly get there by working together for to achieve that goal.

Sincerely,

Bill Walter
President