

## 6 ALTERNATIVES

Under HAR Title 11, DOH, Chapter 200, EIS Rules, Section 11-200-17(F), a Draft EIS must contain a section discussing alternatives that could attain the project objectives, regardless of cost, in sufficient detail to explain why the specific alternative was rejected. Alternatives to Honua'ula, along with reasons why each alternative was rejected are described below.

**Honua'ula Objectives** – As discussed in Section 2.2.1, the objectives of Honua'ula are rooted in the desire of Honua'ula Partners, LLC to implement the *Kihei-Mākena Community Plan* and create an appealing master-planned community with a variety of housing opportunities, village mixed uses, and abundant recreational amenities. Honua'ula will also foster preservation of natural and cultural resources while contributing to Maui's social fabric and economic diversity.

The objectives of Honua'ula are to:

- Reflect community values to create a unique and compelling community in context with the Kihei-Mākena region;
- Emphasize community development and create a complete and vibrant community with a range of housing types, including single-family, multifamily, and workforce housing, complemented with village mixed uses primarily serving the residents of the community;
- Integrate the golf course and recreational amenities with the different uses comprising the community;
- Preserve the inherent beauty of the Property by incorporating a Native Plant Preservation Area, Native Plant Conservation Areas, parks, and open space, as well as through excellence in landscaping and design;
- Make walking and biking meaningful alternatives to driving by locating commercial and retail establishments convenient to residential areas and integrating bicycle/pedestrian recreation ways throughout the community;
- Include buffer zones between residential areas and Pi'ilani Highway;
- Integrate natural and human-made boundaries and landmarks to craft a sense of place within a defined community;
- Incorporate and preserve natural and cultural resources to maintain the physical and historic character of the Property, thereby creating a distinctive community for generations;
- Provide homes near regional employment centers, thereby decreasing commuting and increasing quality of life and environmental stewardship ; and
- Incorporate sustainability by design.

## 6.1 NO ACTION ALTERNATIVE

Under the No Action alternative, Honua'ula would not be created and the Property would remain vacant. There would be no master-planned community embracing “smart growth” principles, such as diverse residential opportunities, village mixed uses, on-site recreational amenities, and integrated bicycle and pedestrian networks. The vision for the Property as set out in the *Kihei-Mākena Community Plan* and under Section 19.90A.010, MCC for Project District 9 would not be realized, and decisions regarding the use of the Property for residential, recreational, and commercial uses previously made by the State LUC, the Maui Planning Commission, and the Maui County Council would not be implemented.

Under the No Action alternative, many of the conditions of zoning under County of Maui Ordinance No. 3554 that benefit the entire region would not be implemented, such as:

- Upgrading Pi'ilani Highway to four lanes from Kilohana Drive to Wailea Ike Drive (Condition 2a);
- Modifying the Wailea Alanui/Wailea Ike Drive intersection to add a signalized double right-turn movement from northbound to eastbound turning traffic and provide two left-turn lanes for southbound traffic from Wailea Ike Drive (Condition 2e);
- Providing a contribution of \$5,000 per unit (totaling \$5.75 million) to the County for traffic improvements (Condition 3).
- Providing workforce housing in accordance with Chapter 2.96, MCC (the “Residential Workforce Housing Policy”) (Condition 5);
- Providing a contribution of \$5 million to the County for the development of the South Maui Community Park (Condition 10);
- Providing an in-lieu cash contribution to satisfy the park assessment requirements under Section 18.16.320, MCC (currently set at \$17,240 per residential unit) (Condition 11);
- Developing formal provisions regarding cultural resources, such as access to specific sites to be preserved, the manner and method of preservation of sites, and appropriate protocol for visitation to cultural sites (Condition 13)
- Payment of at least \$3,000 per dwelling unit (totaling over \$3.45 million) to DOE for schools serving the Kihei-Mākena Community Plan area (Condition 22);
- Providing two acres of land to the County of Maui for the development of a fire station and providing a contribution of \$550,000 to the County for the development of a police station in South Maui (Condition 24); and
- Formal protection, restoration, and propagation of native plants, including setting aside a Native Plant Preservation Area and Native Plant Conservation Areas (Condition 27).

The No Action Alternative would also deprive the State, County, and general public of the significant economic benefits associated with Honua'ula, including an estimated:

- \$1.2 billion of direct capital investment in the Maui economy during the 13-year build-out period;
- 9,537 “worker years<sup>25</sup>” of direct on-site employment during the 13-year build-out period;
- \$480 million in employee wages paid out during the 13-year build-out period;
- 518 jobs (382 directly related to on-site activities and 136 related to indirect off-site activities) after the build-out period;
- \$19 million in annual wages from the on and off-site jobs after the build-out period;
- \$513.9 million (nearly \$40 million annually) in discretionary expenditures into the Maui economy by Honua'ula residents and guests during the 13-year build-out period;
- \$77 million annually in discretionary expenditures into the Maui economy by Honua'ula residents and guests after the build-out period;
- \$41.8 million in net tax revenue benefit (taxes less costs) to the County of Maui during the 13 year build-out period;
- \$1.6 million in annual net tax revenue benefit (taxes less costs) to the County of Maui after the build-out period;
- \$97 million in net tax revenue benefit (taxes less costs) to the State of Hawaii during the 13 year build-out period; and
- \$1.5 million in annual net tax revenue benefit (taxes less costs) to the State of Hawaii after the build-out period.

Potential benefits of the No Action Alternative would include: 1) retaining the area as open space; 2) avoidance of additional infrastructure demands (water, wastewater flows, solid waste disposal; however Honua'ula will be providing its own private water and wastewater systems and so would not be impacting County systems for these needs); 3) no Honua'ula-related traffic impacts; and 4) no short-term construction-related impacts (such as construction noise, construction equipment exhaust emissions, and fugitive dust). The No Action Alternative also would not add to regional population increases or require any public services, such as parks and schools, to accommodate an increased population in the area.

Honua'ula is a well thought out master-planned community fully consistent with: 1) the *Kīhei-Mākena Community Plan*; 2) uses envisioned under its State Urban District classification; and 3) the purpose and intent of the Project District 9 ordinance, Chapter 19.90A, MCC.

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<sup>25</sup> A “worker year” is defined as the amount of time one full-time worker can work in one year although one worker year (2,080 working hours) may be comprised of many employees involved in specialized tasks of shorter duration.

In summary, the No Action alternative:

- Does not meet the objectives of Honua'ula;
- Would not be consistent with the designation of the Property as Project District 9 in the *Kihei-Mākena Community Plan*;
- Would not be consistent with the purpose and intent of the Project District 9 ordinance, Chapter 19.90A, MCC
- Would not implement decisions regarding the Property made by the State LUC, the Maui Planning Commission, and the Maui County Council;
- Would deny the entire region of many substantive benefits that would be implemented under County of Maui Ordinance No. 3554; and
- Would not provide the State, County, and general public the significant economic benefits associated with the creation of Honua'ula.

For these reasons, the No Action alternative was rejected.

## **6.2 RESIDENTIAL LOT SUBDIVISION ALTERNATIVE**

An alternative to the current Honua'ula plan could be developing the Property as a residential lot subdivision, similar to neighboring Maui Meadows, without a golf course or any commercial uses. If developed with similar densities as Maui Meadows, with minimum sized lots of one-half acre, the Property could possibly contain up to 1,340 lots and units. If ohana units were allowed, as in Maui Meadows, the Property could contain as many as 2,680 units.

Typical subdivisions consisting of only residential uses usually require residents to drive outside of the subdivision for many daily needs (i.e. from homes to shopping centers, restaurants, recreational facilities, etc). Such subdivisions have been criticized for not fostering sustainable development and failing to foster neighborhood interaction.

Honua'ula offers a different residential solution than a conventional residential subdivision. As discussed in Section 2.2.1 (Statement of Objectives), the objectives of Honua'ula are rooted in Honua'ula Partners, LLC's desire to implement the *Kihei-Mākena Community Plan* and create an attractive master-planned community with a variety of housing opportunities, village mixed uses, and abundant recreational amenities. Honua'ula will also foster preservation of natural and cultural resources while contributing to Maui's social fabric and economic diversity.

As opposed to a conventional residential subdivision, Honua'ula embraces "smart growth" principles in its design, with stores and services as an integral part of the community. This design will help to minimize car trips onto Pi'ilani Highway, since many establishments providing for residents' day-to-day needs will be within walking and biking distance. Therefore, unlike in a conventional subdivision, Honua'ula is designed to be a community with services and facilities to enable residents to meet many of their daily needs without using their cars.

Several aspects of the design of Honua'ula contribute to a high quality of life. The community will include a mix of residential and commercial uses, a golf course, parks and open space, biking and walking paths, and significant areas set aside for native plant and archaeological/cultural preservation. These components combine to form a community that encourages residents to build relationships with each other, rely less on cars for transportation, walk and bicycle more often, enjoy outdoor surroundings, and actively engage in civic life.

The conventional residential lot subdivision alternative most likely would result in greater impacts than Honua'ula, such as increased population, increased traffic, and greater infrastructure demands for water, wastewater flows, solid waste disposal, and electricity.

The conventional residential lot subdivision alternative does not meet several objectives of Honua'ula, including: 1) reflecting community values to create a unique and compelling community in context with the Kīhei-Mākena region and the neighboring Wailea Resort; 2) emphasizing community development and creating a complete and vibrant community with a range of housing types, including single-family, multifamily, and workforce housing, complemented with village mixed uses primarily serving the residents of the community; 3) integrating the golf course and recreational amenities with the different uses comprising the community; 4) preserving the inherent beauty of the Property by incorporating a Native Plant Preservation Area, Native Plant Conservation Areas, parks, and open space; and 5) making walking and biking meaningful alternatives to driving by locating commercial and retail establishments convenient to residential areas and integrating bicycle/pedestrian recreation ways throughout the community.

The conventional residential lot subdivision alternative also does not meet the purpose and intent of the Project District ordinance for the Property (Chapter 19.90A, MCC), which is to establish permissible land uses and appropriate standards of development for a residential community consisting of single-family and multifamily dwellings complemented with village mixed uses, all integrated with an eighteen-hole golf course and other recreational amenities.

Because the conventional residential lot subdivision alternative is contrary to the objectives of Honua'ula and the intent of the Project District ordinance for the Property (Chapter 19.90A, MCC), this alternative was rejected.

### **6.3 MORE WORKFORCE HOUSING ALTERNATIVE**

Another possible alternative could be to develop the Property with more workforce housing. Different master plans could be designed that could result in the provision of more workforce housing. However, to subsidize the added costs resulting from additional workforce housing, it is highly likely that more market-rate housing would be required, resulting in a higher density project. The amount of recreation and village

mixed uses may also need to be reduced and the golf course eliminated to accommodate more residential units, resulting in a more conventional type subdivision with different, and most likely greater, environmental impacts and decreased quality of life for residents.

A higher density project with more workforce housing could keep the same buildable area (a positive benefit) as currently proposed, but result in a community with increased visual impacts (appearance of the site changing from moderate density to a higher density development, with more stories for the residential buildings and/or smaller lots). A higher density project would also result in increased traffic and infrastructure demands (increased water demand, wastewater generated, and solid waste produced), as well as increased demand for public services. Implementation of this alternative would also most likely result in increased construction-related impacts due to the greater number of units being built – including construction noise, construction equipment exhaust emissions, temporary traffic disruption, fugitive dust and soil erosion.

Alternatively, a higher density project could also be accomplished by reducing open space on the Property from what is currently proposed (currently approximately 50 percent of the Property is proposed to be open space, including the golf course). However, this would reduce park, recreation, and preserve areas and would result in decreased quality of life for residents, increased impermeable surfaces, and increased runoff. Reducing open space would also not avoid the increased traffic and infrastructure demands that are inherent in a higher density project.

Honua'ula already responds to the demand for housing in the Kihei-Mākena region by providing homes priced for a range of consumer groups, including workforce affordable homes in compliance with Chapter 2.96, MCC (Residential Workforce Housing Policy). All workforce affordable homes will be priced and subject to restrictions in accordance with the requirements of Chapter 2.96, MCC to ensure they remain both available and affordable for full-time Maui residents. The Honua'ula market-rate homes will appeal to those buyers seeking the location, view, and climate of the Property. Although not a destination resort, as it is lacking ocean frontage and will not contain transient vacation rentals, Honua'ula market-rate homes will be comparable with Maui's destination communities and are expected to attract purchasers from the same market segments. This inclusionary design provides for a community with social diversity, a mix of ages, and a range of life experiences. The market assessment prepared for Honua'ula concludes that there is sufficient demand for the range of homes within Honua'ula, with the workforce affordable homes being fully sold out within an eight year period and the market-priced homes within 12 years.

As currently proposed, Honua'ula will contribute to a high quality of life for all Honua'ula residents. Honua'ula's inclusionary design provides for a complete and vibrant community with a range of housing types, including single-family, multifamily, and workforce housing, complemented with village mixed uses, parks, and open space, and integrated bicycle and pedestrian networks. These components combine to form a

community that encourages residents to build relationships with each other, rely less on cars for transportation, walk and bicycle more often, enjoy outdoor surroundings, and actively engage in civic life.

As discussed in Section 2.2.1 (Statement of Objectives), the objectives of Honua'ula are rooted in Honua'ula Partners, LLC's desire to implement the *Kihei-Mākena Community Plan* and create an attractive master-planned community with a variety of housing opportunities, village mixed uses, and abundant recreational amenities. Honua'ula will also foster preservation of natural and cultural resources while contributing to Maui's social fabric and economic diversity.

The alternative of a higher density project with more workforce housing is contrary to the objectives of Honua'ula. In addition, implementation of this alternative would result in: 1) increased demand for infrastructure (water, wastewater flows, solid waste disposal) and public services; 2) increased traffic impacts; and 3) increased short-term construction-related impacts (such as construction noise, construction equipment exhaust emissions, temporary traffic disruption, and fugitive dust). For the foregoing reasons, this higher density alternative was rejected.

#### **6.4 RESORT/RESIDENTIAL COMMUNITY WITH TWO GOLF COURSES ALTERNATIVE**

A previous proposal for the Property in 1988 included the development of up to 2,100 multifamily and single-family resort/residential units, two 18-hole golf courses, a mixed use village center, and a 480-room resort and lodge to complement the luxury hotel accommodations of Wailea and Mākena Resorts.

Under the 1988 plan, a village center was envisioned within the makai 300 acres of the Property. The primary activities and services within the village center were proposed to be commercial and restaurant uses, resort lodge visitor accommodations, a visitor information center, and other facilities such as theaters. A church was also proposed within the village center as a landmark feature. The balance of the makai portion of the Property was proposed to contain an 18-hole golf course, a golf course clubhouse, a tennis center, and various multifamily and single family residential uses located along the golf course.

A second 18-hole golf course was proposed in the mauka portion of the Property along with golf-oriented resort lodging and residential uses, but at lower densities than in the makai portion. Commercial development was proposed for approximately six acres at the intersection of Pi'ilani Highway and Wailea Ike Drive.

This alternative was oriented toward the visitor industry and represents a high-density use of the Property. It was envisioned before the Property was designated as Project District 9 on the *Kihei-Mākena Community Plan*. Although the previous Property owner was successful in processing a community plan amendment to designate the Property as Project District 9—and this designation was reaffirmed through a community-based

process in the mid-1990s as part of the *Kīhei-Mākena Community Plan* update—this alternative is not consistent with the current Project District ordinance for the Property (Chapter 19.90A, MCC), which limits the Property to one golf course and a maximum of 1,400 residential units. In addition, the change in zoning ordinance for Honua'ula (County of Maui Ordinance No. 3554): 1) requires affordable housing in conformance with the County's Residential Workforce Housing Policy (Chapter 2.96, MCC), which was not in effect at the time the 1988 plan was proposed; and 2) prohibits transient vacation rentals and time-share units within Honua'ula

The 1988 plan also does not meet several objectives of Honua'ula such as: 1) emphasizing community development and creating a complete and vibrant community with a range of housing types, including single-family, multifamily, and workforce housing; 2) preserving the inherent beauty of the Property by incorporating a Native Plant Preservation Area, Native Plant Conservation Areas, parks, and open space; 3) including buffer zones between residential areas and Pi'ilani Highway; and 4) incorporating and preserving natural and cultural resources to maintain the physical and historic character of the Property, thereby creating a distinctive community for generations.

The 1988 plan would also generate greater impacts such as increased traffic; greater infrastructure demands regarding water, wastewater flows, solid waste disposal, and electricity; and the possible need for more public services, such as parks and schools. However, if the level of development as proposed in the 1988 plan were warranted by market demand, it could have greater positive economic impacts than Honua'ula and fiscal revenues could rise faster than the cost to fund public services and utilities.

The 1988 plan is not a viable alternative because it:

- Is not consistent with the current Project District 9 ordinance for the Property (Chapter 19.90A, MCC);
- Would not provide workforce housing in conformance with the Residential Workforce Housing Policy (Chapter 2.96, MCC);
- Includes resort lodge visitor accommodations, which are prohibited under the change in zoning ordinance for Honua'ula (County of Maui Ordinance No. 3554);
- Would generate greater impacts; and
- Is contrary to several objectives of Honua'ula.

## **6.5 RESORT RESIDENTIAL COMMUNITY WITH ONE GOLF COURSE ALTERNATIVE**

In 2000, after WCPT/GW Land Associates obtained ownership of the Property, the plan submitted with the Change in Zoning Application proposed up to 1,400 primarily upscale resort residential units, a single golf course on approximately 180 acres, and commercial uses at the intersection of Pi'ilani Highway and Wailea Ike Drive.

Since 2000, in the course of planning, Honua'ula representatives met with concerned individuals, community organizations, private groups, and government agencies (see



Chapter 8). Through this community-based process, the plan evolved to reflect community values and embrace contemporary “smart growth” planning principles, such as diverse residential opportunities, village mixed uses, and integrated bicycle and pedestrian networks. A significant amount of input was received on community impacts such as water, traffic, parks, and affordable and workforce housing. The input received drove solutions to issues such as private source development, improvements to Pi'ilani Highway in advance of any permits, money to be dedicated to park development in South Maui and workforce housing on site. As more investigation was done on the Property, the plan was further refined to integrate and preserve natural and cultural resources and maintain the physical and historic character of the Property. The plan was also shaped by the Residential Workforce Housing Policy (Chapter 2.96, MCC)—which was not in effect in 2000—to include workforce housing and was further modified by the County Council to prohibit transient vacation rentals and time-share units within Honua'ula. The current Project District 9 ordinance for the Property (Chapter 19.90A, MCC) also specifies specific uses, general standards of development, and land use sub districts with allowable densities and acreage, which are all reflected in the current plan.

With this evolution, and the desire of Honua'ula Partners, LLC to implement the *Kīhei-Mākena Community Plan* to create an appealing master-planned community, the current objectives of Honua'ula took shape, and the plan originally proposed in 2000 has been refined to the current Honua'ula plan. Therefore the 2000 plan is no longer a viable alternative and the current plan, as elaborated on throughout this EIS, is the established, preferred alternative.

## **6.6 POSTPONING ACTION PENDING FURTHER STUDY ALTERNATIVE**

The alternative of postponing action pending further study is neither necessary nor desirable, for the following reasons:

- This EIS and its related technical studies provide a comprehensive, in-depth evaluation of the impacts from Honua'ula;
- Since 2000, in the course of planning, Honua'ula representatives have met with concerned individuals, community organizations, private groups, and government agencies (see Chapter 8). This extensive process has resulted in a plan that is responsive to concerns and reflects community values;
- During the County Council hearings for the Honua'ula Change in Zoning and Project District Phase I approval in 2008, the County Council heard extensive testimony from both the public and experts in various fields of study. In response to concerns raised at the hearings, the Council included comprehensive conditions as part of the Change in Zoning Ordinance (County of Maui Ordinance No. 3554) approval. These conditions address a wide range of concerns and ensure that any impacts of Honua'ula are mitigated and addressed;
- Prior to the County Council hearings in 2008, the Council's Land Use Committee had held extensive public meetings over the course of 2006 and 2007 to consider the Honua'ula project, including an estimated ten public hearings where public

testimony was heard. These meetings/hearings provided significant opportunity for the consideration of public questions and concerns prior to the Council's consideration and approval of the Phase I application;

- Further review for Honua'ula will include the review of this EIS and the Project District Phase II public hearings by the Maui Planning Commission. Both of these steps provide for agency and public input and comments, as well as opportunities for the public and decision makers to ask for more information to address any additional concerns that may arise;
- It is projected that approximately 7,000 to 10,846 new homes will be needed in the Kihei-Mākena region by 2030 (County Planning Department 2006; Hallstrom 2009). Postponing Honua'ula to allow for more studies will only amplify the demand for housing, which could lead to increased prices; and
- As discussed in Section 6.1 above and elsewhere in this EIS, Honua'ula will provide for a wide range of substantive benefits—both economic and otherwise—to the County, State and general public. Postponing the Honua'ula project to allow for more studies will serve only to delay the realization of these important benefits.

## **6.7 130-ACRE NATIVE PLANT PRESERVATION AREA**

Several comments on the Draft EIS requested that the EIS include an alternative discussing a Native Plant Preservation Area of 130 acres. County of Maui Ordinance No. 3554 Condition 27 states, in part, that the Native Plant Preservation Area “shall not be less than 18 acres and shall not exceed 130 acres.” County of Maui Ordinance No. 3554 also includes a map showing the location of the Native Plant Preservation Area within the portion of the Property south of latitude 20°40'15.00"N. This map shows a Native Plant Preservation Area of 18 acres.

As discussed in Section 3.6 (Botanical Resources), in conformance with County of Maui Ordinance No. 3554 Condition 27, to protect and conserve an area that contains the highest density of representative native plant species within Honua'ula, Honua'ula Partners, LLC will dedicate in perpetuity a conservation easement titled “Native Plant Preservation Area.” As shown on Figure 1 and Figure 12, the Native Plant Preservation Area encompasses a contiguous 40-acre area within the southern portion of the Property. Section 3.6 (Botanical Resources) and Section 3.7 (Wildlife Resources) detail additional on-site measures to protect native plants also discusses off-site measures that that Honua'ula Partners, LLC will undertake to protect and enhance native plants and habitat for the Blackburn's sphinx moth<sup>26</sup>, including:

- Acquiring a perpetual conservation easement of approximately 224-acres on a currently unprotected portion of property owned by Ulupalakua Ranch adjacent to the eastern boundary of the State of Hawaii Kanaio Natural Area Reserve; and

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<sup>26</sup> The on- and off-site mitigation measures and areas are subject to the approval of the Habitat Conservation Plan by USFWS and DLNR.

- Funding and implementing the continuation and expansion of restoration efforts within the Auwahi Forest Restoration Project area, just north of the Kanaio Natural Area Reserve, including fencing of approximately 130 acres, ungulate removal, and plant restoration activities.

It is important to note that no Federal or State of Hawai'i listed threatened or endangered plant species have been identified on the Honua'ula Property<sup>27</sup>. The Property is not located within or immediately adjacent to critical habitat or recovery management units designated by the U.S. Fish and Wildlife Service (USFWS) and until recently there have been no efforts by any Federal, State, or local government agency, or non-governmental conservation organizations to acquire or protect any portion of the Honua'ula Property. The non-native tree tobacco (*Nicotiana glauca*) has been found at various locations throughout the Property and often appears quickly following grading, mowing, or related land disturbances. While insignificant as an introduced weedy plant species, it is a recognized host plant for the Federally-listed endangered Blackburn's sphinx moth (*Manduca blackburni*) (for information on the Blackburn's sphinx moth see Section 3.7 (Wildlife Resources)).

Chapter 19.90A, MCC (Kihei-Makena Project District 9 (Wailea 670)), sets forth Honua'ula's: purpose and intent; land use sub-districts, including allowable densities and acreage; general standards of development; and specifications for each sub-district. Chapter 19.90A, MCC also includes an adopted conceptual land use map for Honua'ula that graphically shows Honua'ula's land use sub districts, golf course, circulation, and other elements. This map does not show a Native Plant Preservation Area of any size.

The Conceptual Master Plan shown in Figure 1 is in conformance with the requirements of Chapter 19.90A, MCC regarding Honua'ula's purpose and intent, land use subdistricts, allowable densities, and other elements, such as the provision of a golf course. It is also in conformance with the map provided with County of Maui Ordinance No. 3554 regarding the general size and location of the Native Plant Preservation Area.

Providing a Native Plant Preservation Area of 130 acres would result in significant changes to the Conceptual Master Plan (Figure 1), resulting in conflicts with several provisions of Chapter 19.90A, MCC. A Native Plant Preservation Area of 130 acres would necessitate shifting a significant number of single-family and multi-family homes to the northern section of the Property, thereby increasing density in this area. It would also significantly change the golf course layout or possibly make a golf course altogether infeasible. Simply reducing the number of homes or not providing a golf course could make Honua'ula economically unfeasible in light of the significant on and off-site improvements required as conditions of County of Maui Ordinance No. 3554. Reducing

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<sup>27</sup> While no Federal or State of Hawai'i listed threatened or endangered plant species have been identified, five individual plants of the candidate endangered species, 'awikiwiki (*Canavalia pubescens*), have been documented within the Property.

the number of homes and/or not providing a golf course would also dramatically decrease the economic benefits of Honua'ula, such as property tax revenues to the County, total gross tax revenues to the State; and impact fees paid to the County and State by Honua'ula Partners LLC.

To elaborate on how a Native Plant Preservation Area of 130 acres would be in conflict with the provisions of Chapter 19.90A, MCC, the following examples are provided:

- Section 19.90A.010, MCC states: "The purpose and intent of Kihei-Makena project district 9 (Wailea 670) ... is to establish permissible land uses and appropriate standards of development for a residential community consisting of single-family and multifamily dwellings complemented with village mixed uses, all integrated with an eighteen-hole golf course and other recreational amenities."
- Section 19.90A.010(B)(3), MCC states: "Integrate the golf course and recreational amenities with the different uses comprising the project."

A Native Plant Preservation Area of 130 acres would significantly impact the ability to integrate Honua'ula's single and multifamily homes with an 18-hole golf course and other recreational amenities, as shifting nearly all of the residential uses to the northern section of the Property would require most of the area to be used for residential uses, or if integrated with a golf course, require significantly higher density residential configurations.

- Section 19.90A.020(A), MCC sets forth maximum allowable densities and acreage for each sub-district. The single-family sub-district is limited to an average density of 2.5 units per acre or less and approximately 40 percent of Honua'ula's total dwelling units are required to be single-family. The multi-family sub-district is limited to an average density of 10 units per acre or less and approximately 60 percent of Honua'ula's total dwelling units are required be multi-family.

Shifting nearly all the single-family and multi-family homes to the northern section of the Property would require: 1) significantly higher density residential configurations in the northern section to provide the same amount of workforce and market priced homes; or 2) significantly less homes to comply with the density requirements of Section 19.90A.020(A), MCC. Reducing the total number of homes would make Honua'ula economically unfeasible in light of the significant on and off-site improvements required as conditions of County of Maui Ordinance No. 3554.

- Section 19.90A.020(B), MCC requires that 450 affordable homes shall be provided within the Honua'ula Property.

Shifting nearly all single-family and multi-family homes (affordable and market priced) would require significantly higher density residential design or a reduction

in the total number of homes. Since 450 affordable homes are required, any reduction in the number of homes would result in less market priced homes. Reducing the number of market priced homes would make Honua'ula economically unfeasible in light of the significant on and off-site improvements required as conditions of County of Maui Ordinance No. 3554.

In addition, some Maui Meadows residents have expressed concerns about the density of affordable multi-family homes adjacent to the Maui Meadows boundary. On the Conceptual Master Plan included with the Draft EIS it was necessary to include multifamily homes in this area to accommodate the initial Native Plant Preservation Area. Providing a larger 130-acre Native Plant Preservation Area would necessitate increasing the number and density of units in the northern section of the Property thus adding to the concerns of some Maui Meadows residents.

- Section 19.90A.020(D), MCC references a conceptual land use map that “is adopted and is made a part of this section.” The map graphically shows Honua'ula's land use sub districts, golf course, circulation, and other elements.

The conceptual land use map adopted as part of Section 19.90A.020(D) has already been modified to accommodate the initial Native Plant Preservation Area and other conditions required under County of Maui Ordinance No. 3554. The Planning Department reviewed the changes necessary to implement the initial Native Plant Preservation Area and other conditions which included changes to sub-district configurations and densities, circulation design, and golf course layout. Increasing the Native Plant Preservation Area to 130 acres would require additional changes in sub-district configurations and densities, circulation design, golf course layout, and other critical design considerations. A significantly revised conceptual land use map incorporating a 130-acre Native Plant Preservation area would be inconsistent with the conceptual land use map referenced in Section 19.90A.020(D).

- Section 19.90A.030(A)(1), MCC requires: “Existing natural drainageways shall remain as open spaces and their hardening shall be discouraged, provided that landscaping, walkways, bikeways, roadways, fences, drainage, and minor recreational and other structures, which do not either detract from the natural environment or adversely affect drainageways and improvements, shall be permitted.”

Shifting nearly all single-family and multi-family homes to the northern section of the Property would impact the ability to retain the natural drainage ways, buffer zones, and slope areas in their natural condition. Grading for home site pads would be drastically increased as a result of greater densities. This would have aesthetic impacts and, more importantly, create greater concentrations of run-off within the

property. Increases in density would result increased non-permeable areas and create the need for increased detention basin area.

- Section 19.90A.030(A)(2), MCC states: "The drainage master plan shall incorporate the golf course and open spaces as areas for stormwater retention and desilting basins."

Increasing density in the northern section of the Property will impact the ability to create a golf course and a drainage plan required under Section 19.90A.030(A)(2), MCC. In all Honua'ula planning and engineering studies the golf course has been a critical element of the drainage design. If the golf course layout is significantly altered in its design, or becomes infeasible, the ability to use the golf course for drainage will be significantly impacted.

- Section 19.90A.030(A)(3) requires: "Grading of the project site shall be encouraged to retain the existing rolling topography and natural drainage ways."

Shifting nearly all single-family and multi-family homes to the northern section of the Property would dramatically increase grading of the Property, as significantly more grading would be necessary to create home site pads with the increased density.

County of Maui Ordinance No. 3554 contains conditions requiring Honua'ula to provide a private water system (Condition 1) and a private wastewater system (Condition 17). Significantly reducing the number of homes within Honua'ula to accommodate a 130-acre Native Plant Preservation Area could make providing these systems infeasible as the cost to build and operate these systems may not be supportable with less homes. In addition, Condition 17 also requires reclaimed water from the private wastewater system to be used for irrigation. A reduced number of homes would result in less output of reclaimed water from the private wastewater system, thereby possibly necessitating more non-potable well water for irrigation. Alternatively, if the same amount of homes were provided at increased densities, with a 130-acre Native Plant Preservation Area there would be less area available to dispose of the reclaimed water. Condition 17 prohibits injection wells.

County of Maui Ordinance No. 3554 requires Honua'ula to pay specific development fees, including:

- Traffic improvement fees of \$5,000 per residential unit, payable to the County of Maui (Condition 3);
- Park assessment fees, currently at \$17,240 per residential unit, payable to the County of Maui (Condition 11); and
- School impact fees, currently at \$5,560 per single family unit and \$3,000 per multifamily unit, payable to the State (Condition 22).

Together, these fees are at least \$25,240 per residential unit and total over \$29 million.. Any reduction in the number of units will result in a corresponding decrease in fees paid to the State and the County. County property tax revenues would also decrease with less homes or diminished property values resulting from higher density homes. State tax revenues, estimated on a per capita basis, would also decrease with fewer homes.

County of Maui Ordinance No. 3554 also requires Honua'ula Partners, LLC to:

- Widen Piilani Highway from Kilohana Drive to Wailea Ike Drive from two to four lanes<sup>28</sup>. The widening project is estimated to cost approximately \$26 million;
- Pay not less than \$5 million to the County for the development of the South Maui Community Park in-lieu of dedicating a Little League Field within Honua'ula (Condition 10);
- Contribute \$550,000 to the County for the development of the new Kihei District Police Station in South Maui (Condition 24); and
- Provide the County two acres of land with direct access to the Pi'ilani Highway extension for the development of a fire station (Condition 24).

Reducing the number of homes within Honua'ula or not providing a golf course could make Honua'ula economically unfeasible in light of these significant fees that must be paid, in addition to overall on-site construction costs of Honua'ula.

In summary, the alterative with a 130-acre Native Plant Preservation Area would:

- Conflict with provisions of Chapter 19.90A, MCC;
- Conflict with several conditions of approval required under County of Maui Ordinance No. 3554
- Necessitate shifting a significant number of single-family and multi-family homes to the northern section of the Property, thereby increasing density in this area and requiring significant changes to the Conceptual Master Plan;
- Significantly change the golf course layout or possibly make a golf course altogether infeasible;
- Impact the ability to use the golf course for drainage as required under Section 19.90A.030(A)(2), MCC;
- Significantly increase grading of the Property to create home site pads required for the increased density;
- Impact the ability to use reclaimed water for irrigation;

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<sup>28</sup> Cost to be shared by Honua'ula Partners, LLC, A&B Wailea LLC, Keaka LLC, and ATC Makena Holdings; however County of Maui Ordinance No. 3554 Condition 2a requires the widening of Piilani Highway to be completed before any construction on the Honua'ula Property, with the exception of grading; therefore Honua'ula Partners, LLC may be required to pay the total amount if the other entities are not able to contribute before construction of Honua'ula begins.

- Decrease the economic benefits of Honua'ula, such as property tax revenues to the County, total gross tax revenues to the State, and impact fees paid by Honua'ula Partners LLC; and
- Make Honua'ula economically unfeasible in light of the significant on and off-site improvements required as conditions of County of Maui Ordinance No. 3554;

Honua'ula's on-site 40-acre Native Plant Preservation Area will protect and conserve the area of the Property that contains the highest density of representative native plant species. It also will allow for conformance with the requirements of Chapter 19.90A, MCC and the conditions of County of Maui Ordinance No. 3554. Combined, Honua'ula's on-site 40-acre Native Plant Preservation Area and proposed off-site mitigation measures discussed in Section 3.6 (Botanical Resources) and Section 3.7 (Wildlife Resources) provide approximately 394 acres of native dry shrublands for the perpetual protection and propagation of native dryland plants—a substantially greater area for native plant protection and Blackburn's sphinx moth habitat than would be provided solely by a 130-acre Native Plant Preservation area on the Honuaula Property.