

LEEWARD PLANNING COMMISSION
COUNTY OF HAWAI'I

HEARING TRANSCRIPT
JULY 24, 2009

A regularly advertised hearing on the applications of **PALAMANUI GLOBAL HOLDINGS LLC (REZ 09-94 and REZ 05-010)** was called to order at 10:15 a.m. in the King Kamehameha's Kona Beach Hotel, Ballroom IV, 75-5660 Palani Road, Kailua-Kona, Hawai'i with Chairman Rodney Watanabe presiding.

PRESENT: Rodney Watanabe
Brandi Beaudet
Lani Bowman
Geraldine Giffin
Frederic Housel
Wayne Iokepa
Warren Lee, Public Works Director – Ex Officio Member

Brandon Gonzalez, Deputy Corporation Counsel
BJ Leithead Todd, Planning Director
Margaret Masunaga, Deputy Planning Director
Norman Hayashi, Planning Program Manager
Jeff Darrow, Staff Planner
Maija Cottle, Staff Planner
Kiran Emler, Engineering Div., Department of Public Works (left at 12:38

p.m.)

And approximately 40 people from the public in attendance

APPLICANT: PALAMANUI GLOBAL HOLDINGS LLC (REZ 09-94)

Change of Zone from Project District to Industrial-Commercial Mixed – 20,000 square feet (MCX-20) district for 29.92 acres. The property is part of the proposed Palamanui development located northeast of the Kona International Airport at Keāhole, between Queen Ka'ahumanu Highway and Makalei Estates Subdivision, Kau, North Kona, Hawai'i, TMK: 7-2-5:portion of 1.

APPLICANT: PALAMANUI GLOBAL HOLDINGS LLC (REZ 05-010)

Amendment to various conditions of Ordinance No. 06 105, which rezoned 725.2 acres from Agricultural 3-acre (A-3a) and Open (O) to a Project District. The property, which is referred to the Palamanui Development, is located northeast of the Kona International Airport at Keāhole, between Queen Ka'ahumanu Highway and Makalei Estates Subdivision, Kau, North Kona, Hawai'i, TMK: 7-2-5:1.

WATANABE: Okay, as we did in last month's meeting, may I suggest that we discuss Agenda Item Nos. 3 and 4 together, but obviously we're going to vote on this or act upon these separately, yeah? But since they are directly related, if there are no objections, we'll go ahead and address that or discuss it together. And so the applications that we'll be addressing now are

Palamanui Global Holdings LLC., there's a change of zone, REZ 09-94, and also Palamanui Global Holdings LLC, amendment of various conditions in REZ 05-010. Mr. Hayashi?

HAYASHI: Thank you, Mr. Chair. Noriko is passing out several correspondence and testimonies that were presented this morning. So perhaps if I could ask the Commission to perhaps take a five-, ten-minute recess to read those correspondences.

WATANABE: I think that will be appropriate.

HAYASHI: Thank you.

WATANABE: But we'll, we'll be in recess for a few minutes.

RECESSED The Chair called a recess at 10:16 a.m.

RECONVENED The meeting reconvened at 10:26 a.m.

WATANABE: Mr. Hayashi?

HAYASHI: Thank you, Mr. Chair. Since all of you were here at the last meeting and the presentation was done regarding the orientation of the property as well as the proposed requests, there are basically two requests.

The first one we're considering today is a change of zone from a Project District, which is part of the Palamanui overall Project District and taking a portion of that which is approximately 29 acres into the MCX zoned district. And the basic reason for that is that within the Project District industrial type uses are not permitted, and the plan now by Palamanui is trying to come up with some mixture of commercial/industrial uses. That is why they are coming in for this MCX zoned district for this particular area.

The second request is the amendment to Ordinance 06-105, and that is relating to the Project District that was granted back in 2006 by the County Council. The applicant is requesting several conditions to be amended. And at the last hearing there were some concerns expressed by the Commission as well as the public regarding the proposed amendment to the, amendments to the conditions. We also requested that the hearing be continued in order that the Department would have an opportunity to review the comments from the Department of Public Works and to try to incorporate, work with them and incorporate some of their comments into a revised recommendation. The Planning Department did work with Mr. Lee, the Director of the Department of Public Works, to come up with revised conditions. After that was done we transmitted a copy of the draft revised conditions to the applicant for their review and to find out whether they have any concerns or suggestions for changes to the revised conditions. It is my understanding that both Mr. Lee as well as the applicants are in accord with the proposed amendment that has been presented to you, which is dated July 21, 2009.

Basically, I'd just like to go over the, some of the concerns that were expressed. And one was the timing for the development of the 20-acre park. According to the current ordinance, the requirement is to have a 20-acre park developed when the first single-family dwelling is

constructed. The applicant had requested that that be deferred until the issuance of building permits for 101 single-family residential units.

The second is the proposed roadways which were originally Condition X and is now Condition V under the proposed amendment. For your information, this condition was basically, as far as the Department was concerned, it was kind of confusing when you read the initial ordinance and the conditions. So we tried to reorganize it, and rearrange it so that it's more presentable and readable and understandable, hopefully, for all parties concerned. One of the concerns expressed related to the timing was the timing or lack of timing for the construction of the roadways. The revised condition, Condition V, incorporates the timing as to when these roadways are required to be constructed. For example, the new collector road which is -. And if I can bring up the map, if you can bear with me for a second, we need to change these slides.

WATANABE: Okay, uh -.

HAYASHI: Anyway, basically, we needed to take a look at some of the timing requested by the applicant as well as whether these, some of the other conditions of the roadway.

Okay, first I'll refer to this map. This is a project roads map that was submitted by the applicant with the amendment. If you can go back to the next -. Okay. So this is the map that was submitted as an exhibit for the amendment request to Condition, the roadway conditions. And basically I'll discuss the roadways as we are amending. This roadway here is identified as Roadway 4 or Connector Roadway 4 on the applicant's exhibit; we are now calling, referring that to Roadway 1. It's the new connector road. And, basically, what we're doing is taking the roadways established or identified in the Kona CDP. So hereafter we'll make references to the roadways as noted in the Kona CDP. So this particular road which is a connector road is the new connector road going up to Highway 190 that is being referred to as Roadway 1. We also have this section of the roadway which is Roadways 3A and 3B on this particular map. And that particular section of the map will be referred as Roadway 6A as identified in the Kona CDP map. And that would be the Ane Keohokalole Road, Highway, and down the roadway -.

BOWMAN: I'm sorry, can you tell me, again, which, that's 1C, B?

HAYASHI: This is, no, 3A and 3B.

BOWMAN: Okay.

HAYASHI: This is called the mid-level road -.

BOWMAN: Okay.

HAYASHI: Or the Ane Keohokalole Road, okay, or Highway. And I presented this just for identification purposes at this time. Roadways 1A, 1B and 1C would be referred to now as University Drive or Road 2 as noted in the Kona CDP. We also have this particular road which is the Kamanu Street extension from Ka'iminani Street to the subject property, and that particular road would be referred to as Road 3A, excuse me, Road 2, Kamanu Street.

And, finally, there is another section of a proposed roadway; and that's Roadway 5 on this particular map. And that particular road would be referred to as Roadway 7, which is the Kealaka'a Street extension. So if you look at this particular map, this is the Kona CDP concurrency map; and the identification, again, this would be the subject property. This particular road going mauka-makai up to Makalei Drive is the University Avenue. This particular roadway running north-south identified as Road 3A is the Kamanu Street extension. This particular road through the subject property extending beyond to the south, that would be the mid-level road or Ane Keohokalole Highway. And this particular roadway would be an extension of Ane Keohokalole Highway going north, then from there, extending to Highway 190, and that would be referred to as Roadway 1 as depicted on the Kona CDP Map. And finally, the section of Kealaka'a extension is at this location – that's Roadway 7.

Now as far as the changes, after working with the Department of Public Works and the Department of, excuse me, the applicant, we have come up with the proposed amendments to the ordinance; and that is reflected as Exhibit 14 that was distributed to you. And that, the heading for that is "Palamanui Development, LLC, Ordinance No. 06 105, Planning Director's Revised Conditions of Approval, July 21, 2009." So basically there are several changes done.

First is Condition D which reduces the amount of the Project District area from 725 acres to 695 acres. And the reason for that is we took out 30 acres or 29 acres for the MCX area.

The next Condition G we also reduced that particular condition from 102 acres to 72 acres. Again, that is because of the, placing 30 acres into the MCX zoned district.

On Condition N basically that was to, relating to the condition that said, "The project shall have at least one residential unit for every 600 square feet of nonresidential development (under roof)." Basically the applicant requested that this condition be deleted, and we are in concurrence with that particular request.

Condition Q states that "No retail commercial structures may be located closer than 1,500 feet from the Queen Ka'ahumanu Highway right-of-way." And that is the applicant's request, and we do concur with that. And the reason for that is the State Land Use Commission had amended their decision and order to reflect an 800-foot building structural setback from Queen K Highway to, within the subject property.

And Condition S basically stated, again, regarding the construction of one single family dwelling before the 20-acre park site is developed; and we concurred with the applicant's request to defer that until 101 single family building permits are issued.

And the Condition V which was Condition X under the current ordinance made, what we did was we deleted that whole section and instead to organize it in a better format and to incorporate some of the changes that we worked out with the applicant as well as the Department of Public Works; and those are reflected on Page 5 through Page 15. And basically those are the changes that we made to the proposed ordinance. Are there any questions?

WATANABE: Thank you.

HAYASHI: I can go into the specific, if you have any questions, then I can address the specific questions relating to the roadway and the timing and that kind of stuff.

WATANABE: Okay. Just for clarification purposes, we do note that the MCX zoning change request did change it from the building, the commercial building area from a 1,500-foot setback to 800-foot setback. But for clarification that 800-foot setback was the original setback set by the State and so we're not encroaching any further on Queen K Highway, are we?

HAYASHI: That is correct.

WATANABE: Yeah, yeah, yeah. And I just wanted to clarify, for the connector road area, you know, that I believe you stated that was Roadway 1 now which previously was Roadway 4. Am I correct in that you have since negotiated a wider easement on that?

HAYASHI: Yes. Basically what it is is that since this section of the roadway will be basically an extension of the Queen, excuse me, Ane Keohokalole Highway, through the State property, we've decided to increase the right-of-way in that section to 120 feet.

WATANABE: Yeah, from the -?

HAYASHI: Okay, yeah.

WATANABE: Previous 88-foot -?

HAYASHI: Correct, and the 88 feet would continue from this private, from this particular location all the way to Highway 190. And just to let you know that as far as the proposed condition, the timing for development of that roadway would be after the right-of-way is acquired for both the State lands and the private lands, then the applicant would have six years in which to complete construction of that particular roadway, connector roadway.

WATANABE: Okay, thank you. Fellow Commissioners? Mr. Housel, it looks like you have some questions.

HOUSEL: Yeah.

HAYASHI: And one other thing I just wanted to point out, there were concerns from the Makalei Estates Community Association regarding the connection of University Avenue connecting to Makalei and becoming a through street. That would not occur until such time that Road 1 is completed. So there is a condition that was in the previous ordinance, I mean, the current ordinance 06 105 and also in the amended ordinance which is portion of Condition V.6 that states that that roadway will not be open as a public through street until such time as Road 1, which is the connector road, is completed.

WATANABE: Thank you. Mr. Housel.

HOUSEL: Well, first of all, I'd like to really congratulate you, Norman, and Bobby Jean and Warren, for going back and revising all the conditions and putting this all together. It makes it so much easier to understand now. I really appreciate all the work you put into that. I

did have one question. The Kona CDP Map shows University Drive as a contiguous roadway whereas the proposal showed it as two separate junctions with the mid-level road. Is this correct?

HAYASHI: You're talking about this particular road?

HOUSEL: Yes, right. Does University Drive go straight through there?

HAYASHI: Yes.

HOUSEL: Okay.

HAYASHI: That is the same alignment as Roadway 1A, B, and C that the applicant had noted on his exhibit.

HOUSEL: Okay. On the other drawing it showed them as separate -.

HAYASHI: No, that would be the same.

HOUSEL: Same?

HAYASHI: Same roadway.

HOUSEL: Okay, okay. Thank you. And University Drive does go to the makai, link with Makalei Drive, is that correct?

HAYASHI: At this particular -.

HOUSEL: That's all University Drive?

HAYASHI: Right there?

HOUSEL: Yes.

HAYASHI: Yes.

HOUSEL: That's University Drive all the way?

HAYASHI: Yeah.

HOUSEL: Okay. Okay, thank you.

WATANABE: Any further -? Ms. Bowman.

BOWMAN: I just have a question on the deletion of N. And is that, could you just explain why? Is it because there are other contingencies as far as the residential development?

WATANABE: Oh, okay. Ms. Bowman, maybe I can-. That was a request by the developer. And basically what they had stated was that the housing market, residential housing market, has slowed down. So they're not changing the overall plan or number of homes to be built. They're just changing the timing or requesting a change in the timing so that they could then build out some of the, or subdivide some of these properties in that 30-acre or so portion -.

BOWMAN: Right, I understand.

WATANABE: As -. Yeah.

BOWMAN: But I guess because then later we say like with the park development that it's after 101, so this ensures that there will be residential development.

WATANABE: Uh -.

BOWMAN: Okay.

WATANABE: Yeah.

BOWMAN: Thank you.

HAYASHI: And what you were referring to is the Condition N in the original ordinance.

BOWMAN: Right.

WATANABE: Any further questions? Okay, thank you, Mr. Hayashi. Since this is a continued hearing – you know, ordinarily we would have the applicant come up at this time – but I do have a number of people from the public who have signed up to testify, and so I'm thinking that if we switch the order of this and have public testimony first, then that may save us some time in that the developer, the applicant would be able to come up and address whatever concerns they may have as well as other concerns that may come up from the public at this time. Otherwise, I'd have to call you up again. And if that's okay with you, then may we proceed that way?

OKAMOTO: Mr. Chairman, that's fine with the applicant.

WATANABE: Thank you. So, let's see, we have four seats up here and I'll call them in the order that they have signed up. I have Janice Palma-Glennie, Mike Reimer, Marni Herkes and Steve Lopez. Would the four of you come up, please?

HAYASHI: Mr. Chair?

WATANABE: Yes.

HAYASHI: Also, I just want to include that all of the testimony and written, the letters that came in today will be made a part of the official record.

WATANABE: Thank you, thank you. Okay, so if I could swear you all in. Would you please raise your right hand? Do you swear or affirm to tell the truth now before the Planning Commission?

TESTIFIERS: I do.

WATANABE: And maybe we'll start on this side. For each of you, would you state your name and address prior to providing your testimony? And we'll begin with you, sir.

LOPEZ: Steve Lopez, 72-1167 Makalei Drive, Kona.

WATANABE: You may begin your testimony.

LOPEZ: Thank you, thank you. May I ask a question of what I just heard?

WATANABE: Sure.

LOPEZ: Okay. I heard the recommendation was to begin the Roadway 4 – I'm still going to call it Roadway 4 because that's the -.

WATANABE: Oh, okay, but Roadway 1, the connector, and so you're -.

LOPEZ: Thank you. That was six years from the, after the time of the right-of-ways were secured, but there was not any indication of a timeline to secure the rights-of-way. Is there one?

WATANABE: That would be rather difficult -.

LOPEZ: So this could go on -.

WATANABE: To establish.

LOPEZ: So this could go on indefinitely then, potentially.

WATANABE: Potentially.

LOPEZ: Okay.

WATANABE: But I would assume that your concern would be the connector to Makalei Subdivision. And if that is your concern, that was addressed.

LOPEZ: No, my concern is -.

WATANABE: Oh, your concern is strictly for a mauka-makai connector?

LOPEZ: Is the mauka-makai connector, yes.

WATANABE: Okay, okay.

LOPEZ: All right. First I want to thank you for the consideration of the stated agenda items, Items 3 and 4. I thank you very much for the earlier vote to postpone until more information may be gathered. As you know, it's a lot of detail and the devil really is in the detail. And when I first was presented this in the presentation by Palamanui to few members of the Makalei Estate, it seemed pretty benign. But as you start to dig in, some things came to light. I request your vote to deny this change of zone request and require that Palamanui demonstrate reasonable efforts that they will complete Road 4, now Road 1, prior to hearing any request for changes to Ordinance 06-105 or zoning changes.

It doesn't appear that there have been due diligence applied in three years for that collector road to be, to grant the, excuse me, to seek right-of-way or any progress made at all on that behalf. It's been three years since the law was passed.

It would appear that history may be repeating itself. And I cite the 2006, I believe it's the 6, it might have been 5, Clifto's request for rezoning of O'oma project. In that rezoning request, Clifto advertised their property for sale, contrary to their outward message to provide affordable housing, with conditions that required zoning changes. And this was before any approval for their zoning request was approved by County Council. Fortunately then Mayor Harry Kim vetoed the approval after much public outcry. His rationale was that we cannot put more traffic burden on our roadways before improvements were complete, specifically the widening of the Queen Ka'ahumanu Highway. As a side bar I just learned this morning that additionally in 1992 there was a, Parker Ranch connector road was required to go before any commercial or residential occupancy. In 1996 the developer asked for a change. And it wasn't until legal proceedings in 2006 that that roadway is under construction now and due to be done next May. So it took legal action to bring that to case, after the developer said they would do it and then postpone for a change. So we're really in history potentially here.

Today, Palamanui is seeking a change in zoning to improve their profit position, not in itself a derogatory remark, but, and to delay the commitment to the people of Hawai'i County for a sorely needed mauka-makai connector. As recently as Monday, July 20th, which incidentally is no longer on line, in loopnet.com there was an offering to lease these 70 acres at Palamanui called the Trade Center. And the complete text of that ad, which you cannot find online any longer, is cut and pasted into this document that I presented you. What really struck out to me was that in this offering they're saying that there's an access, future access granted, access to Māmalahoa Highway and Makalei Drive. There's never any reference to a collector road, Road 1, Road 4 or anything else.

The Palamanui petition being heard has yet to even have a preliminary decision but yet they are advertising the Trade Center for access to Makalei Drive. What about Road 4 and what about Makalei Drive being designated a minor road? We can only project that our history indicates they have no intention of building Road 4 and will later seek to overturn all critical aspect of Ordinance 06-105. This advertisement further explains their desire to change commercial zoning to allow warehouse and distributor buildings, commercial building closer to the highway, and delete the requirement of more than one home for every 600 square feet of building space constructed. The proximity to the airport and this zoning change for multi-use will result in another industrial park within short miles of others – Kohanaiki, NELHA, and Costco. This is contrary to the "retail center" that was sold to us all. All this serves to exacerbate existing traffic

problems on the highway and surely creates a serious hazard and County liability with use of Makalei Drive for these purposes.

I urge you to look carefully and keep the needs of West Hawai'i citizens foremost in your decision making. We have been a mushroom far too long and there remain too many unanswered questions of why three years have passed with no effort on the part of Palamanui to honor their agreed commitment in exchange for concessions made by Hawai'i County citizens.

Difficulty in obtaining financing was hardly a sound reason three years ago and we are not so ignorant to know that projects of this size are now planned and funding arranged years in advance.

In a recent meeting with Palamanui representative Roger Harris, he was reminded of Ordinance 06-105 Condition Z that construction vehicles should not utilize Makalei Drive. His reply, he felt he didn't, this did not apply to Palamanui's need to cross the lower boundary for upgrading the water system in Makalei that is needed for the Palamanui project. Is he the one who decides when the law is applicable and to whom?

Representing myself, mahalo nui for the opportunity to be heard and your attention to this testimony. Thank you.

WATANABE: Thank you. Fellow Commissioners, do we have any questions of Mr. Lopez? Seeing none, thank you for your testimony. I failed to mention this earlier but, you know, we do have a fairly significant amount of people that are going to testify. So before we move on, let me make this clear. Please let's not be redundant and try to be concise; and I'm going to contain you to three minutes, okay, of testimony. Otherwise, the proceedings can extend significantly. And with that, maybe I'll turn it over to you, Marni.

HERKES: Thank you very much, Mr. Chair. I'm Marni Herkes, Post Office Box 571, Hōlualoa 96725, and I will be short. You have a copy of my testimony. As usual you have a copy of everybody else's. I am speaking in support of the Palamanui development with which I am familiar. And I admit to some disappointment that this development is unable to unfold in the manner in which it was planned. I look forward to a new paradigm for electricity, a new paradigm for waste disposal, parks, roads, and commercial, although on the road section I must say that we are overloaded right now because everybody is out of work. So if we need more roads, we're going to have to put more people to work because our roads are empty, our parking lots are empty, and our stores are empty. This was going to be the first development that exemplified the Kona Regional Plan Transit Oriented Development but other things intruded, like a failed economy.

I must admit that this is not the only disappointment this economy has delivered: a retirement that was pitiable in the good days and now is even more so; a car dealer with whom I still have a maintenance contract but has disappeared; restaurants closing; no super ferry to ride and two sons out of work. So I am impacted as well as developers by this economy.

But I like to look on the bright side of things; and there are some good things also. Some bright horizon happenings that give me hope are Target opening in Kona; Thirty Meter Telescope choosing Hawaii; the Kona Regional Plan being implemented, and that was wonderful the day

that this has all changed around to fit the plan; Kailua Village Improvement District moving forward; Kona Heritage Corridor being the first scenic byway in the state; I forgot to add Hotel King Kamehameha renovation; the 50-year Billfish Tournament which is going on now; Saddle Road, another segment of Saddle Road dedicated in August; the County building the mid-level road with stimulus money; the master plan for the County Civic Center TOD has begun; Forrest City moving ahead with their TOD and affordable housing; Pelekane Watershed improvements funded with stimulus money; and, amazingly enough, a developer that is willing to invest \$23,000,000 in the Kona community which will result in the first phase of a Hawaii Community College, Kona campus. This appears to begin the completion of a dream a lot of us have had for 20, 30 years at least. We want to move out of the Foodland buildings. We may move the college out and then we move the County out; and, who knows, Foodland may come back with a bigger store. This appears to begin that beginning. And I really did not think I would see that in my lifetime which is getting shorter and shorter. So we need to do something soon.

However, this is one phase of this development that can be funded right now and I encourage you to clear the way as far as you can. We need the jobs the construction will bring but even more we need this kind of uplift that this investment brings. And it's all good.

I'm also going to say that in the hearings to come, the industrial area along Queen Ka'ahumanu Highway needs to look good; and it needs to look not like Kaloko and not like Nimitz Highway. I'm aware of the fact that the plans for the airport, which is going to be across the street, will come out to Queen Ka'ahumanu; and that also needs to look less industrial. Because it is a major highway, we want to keep that major highway as beautiful as we can. I sat through hours of Planning Commission hearings trying to keep Kaloko beautiful and keep it a highway that wasn't lined by industrial. And they built a berm which we thought was great but then they built the buildings up over the berm. And I'll never forgive Sidney Fuke for that, and he knows it.

However, we're going to watch you guys to keep that, and the County Council. Thank you very much. I see your fingers, Norman. Thank you very much.

WATANABE: Okay, Marni. Fellow Commissioners, do we have any questions of Ms. Herkes? No? Thank you for your testimony. You must be Mr. Reimer?

REIMER: Yes. Thank you for the opportunity to testify today. I will keep this short as I agree much with the two previous speakers, so I will say I'll donate the balance of my time to the two previous speakers. Today I want to testify from the heart. I was really thrilled to see this development go in that was so consistent with the desires and please of the people of the County. And I do express my disappointment to see that there are now major changes proposed. I, we've been down this road before where things have been promised, then they have been changed for whatever reason. And I just want to ask you to keep this a two-way street and don't think of just today, think of the future. Yes, the roads and the parking lots seem to be empty today, but they weren't before and they won't be tomorrow. So I don't see your responsibility is to help make a private enterprise a profit; but your responsibility is to the people. And I ask you, I plead with you, to get guarantees and not just live on promises. Thank you.

WATANABE: Thank you. Do we have any questions of Mr. Reimer? No? Thank you for your testimony. Janice.

PALMA-GLENNIE: Aloha. My name is Janice Palma-Glennie and I reside here in Kona. And I'm sorry I have written testimony and I don't know how to make it three minutes at the moment. Anyway, I'll do my best. It remains unclear to me as to whether a project like Palamanui, which was approved before the Kona CDP took effect, has legal requirements that amendments made after the CDP became law, on whether they must follow those guidelines. I've been closely involved in the CDP process since its inception, and feel that the answer to this question is paramount to Commissioners, the public and developers in understanding how to proceed when the situation arises.

Specifically, my concern is that CDP concurrency requirements be strictly adhered to. I don't believe the concession should be made in creating viable sustainable communities dependent upon a landowner's or developer's shifting financial situations. The excuses that the things are so good economically that there's not enough time to follow requirements or things are so bad that there's not enough money are exactly those that have left Kona so bereft of infrastructure and public facilities.

Widening easements is not a replacement for providing adequate numbers of roadways to and from a project and in the region which must support the project. Additionally, facilities like parks, Section S, that are integral to creating a balanced project and community once delayed often never come to fruition, which has been the case of the YMCA which was promised to support the Kona community's recreational needs as well as hugely expanded residential development. The subdivisions, Ali'i Heights and Keauhou View Subdivision have now long existed -. Excuse me, I can wait until you -. I can wait -.

WATANABE: No, I'm sorry.

PALMA-GLENNIE: Cause I don't have written testimony to give to you.

WATANABE: No, go ahead.

PALMA-GLENNIE: Thanks, thank you. I'm sorry but I'm taking work off and I've spent a lot of time thinking about this. This subdivision has now long existed with no YMCA in sight. Fears that outsiders to the Palamanui development will use the promised 20-acre park show a disregard for the needs of the wider community and the park which all stakeholders must share in their commitments to the community's well being.

Removal of Section N is also disturbing, especially when so many other concessions are being asked for by this developer. Mixed-use language and its existence are by, are key to adherence to CDP guidelines.

Last, it's more than unnerving to see a developer put units of their project up for sale before proper permitting is in place. Makalei and University Heights immediately come to mind. And certainly Hōkūli'a is an example which this community recognizes as an economic and political fiasco largely related to jumping the permitting gun.

I hope that this committee will respond to its mandate to change business as usual and to business that serves the future needs of the community. Mahalo for denying this zoning request until concurrency and community benefit issues are firmly resolved. Thank you very much.

WATANABE: Thank you. Fellow Commissioners, do we have any questions?

BOWMAN: I do.

WATANABE: Yes, Ms. Bowman.

BOWMAN: Thank you for your testimony. And because I don't live in Kona, I'm not familiar with all the parks that are here. But if, I've seen Airport Park and I know that, you know, I've driven by a lot of times, and it's not used much; but there are seasons when it's used a lot. And, you know, I do have concerns for a park, especially where I live. And I look at the location of the park and, until there are other residential or the university, I'm just wondering if people from Kona, and this is just for my information, would drive out to utilize the park that's so far away. I could understand it once the residential units are built and certainly the university. So maybe you could just shed some light on that. Thank you.

PALMA-GLENNIE: I used to live in Kalaoa, I don't now. But I always felt that there was an extreme lack of park facilities and open green space that was accessible in the Kalaoa area. I do believe that people that are driving to, you know, even Higashihara Park or, I mean there are people that I do think would use that park. My greatest fear is that that park will not happen. And I just have been here too long and gone through this so many times, I think as Steve was mentioning, to see how these plans are, look really nice and it looks like after 100 homes are built that there will be a park. But it just doesn't happen. The YMCA, as soon as, I mean that was supposed to be built in Ali'i Heights Subdivision, Keauhou View, as I was saying. I mean there is no, I haven't heard of anything happening with that. And there were a lot of people who were really counting on that, and I don't know how that's ever going to be resolved. When the property owners nearby now say that they don't want to have it there, what will happen with Palamanui? Will the same thing happen? They'll say, well, now there's going to be too much traffic, even though they bought into the area knowing that there would be that park. That's the kind of thing that holds it up. And then if it's financial or whatever it is -. I mean I just feel like this developer got their permits with these restrictions, everyone went back home saying, okay, you know, I got this, you got this. And this is a typical thing where here we are again discussing the concessions that they want to have because, you know, the bottom line isn't going to be as rosy as it was going to be. I just, I just have a lot of fears about that based on past experience and what's existing right now.

BOWMAN: Thank you, thank you.

PALMA-GLENNIE: Thanks for the question.

REIMER: May I briefly respond to your question?

WATANABE: Generally we don't go back, but I'll allow it if it's very short.

REIMER: Yes, yes, it is. To answer your question, I live in a condominium complex that is very child unfriendly. And as far as going to parks we actually have some organized parents who will carpool kids to various parks. So we have nothing close and therefore people will probably from outside of the area use that park.

WATANABE: Okay, thank you. If there are no further questions, then the four of you may be seated and I'll proceed with the next testifiers. I have Denny Coffman, William Trask, Bo Kahui and Walter Kunitake. So would those four individuals please come up? Okay, may I swear you in? So would you raise your right hand, please? Do you swear or affirm to tell the truth now before the Planning Commission?

TESTIFIERS: I do.

WATANABE: Okay. And, again, as a reminder, please state your full name and address prior to providing your testimony. And shall we begin with you, sir?

COFFMAN: Yes, so my name is Denny Coffman. I live at 77-258 Ho'oka'ana Street here in Kailua-Kona. And I'm the State House representative for District 6 but I'm not here in that official capacity. I'm here as a citizen. And before I begin I want to, again, these are my opinions about development -. I believe in developers going into an area and what we as community members give them, we give them zoning changes which changes the value of that land; and for that privilege and that zoning change we agree to public infrastructure, fair share items. Okay? And I'm saying that because I see several items tied into these documents that talk about occupancy. There is nothing that requires a developer to build anything. They can sell all the land off. And I see everything tied to subdivision approval. So that's kind of my basic theme here. And part of that is is that we the citizens should not be part and parcel to their risk. The developers look at the land, if they can get this zoning, this many lots, it's their risk to be able to sell that land; and if they're going to build houses on it, that's a secondary risk. So all we're doing is trading off zoning and they owe us the infrastructure that we've agreed to.

Having said that, my specific recommendations, I can agree with, you know, pulling out that 29.92 acres and allowing the commercial, MCX-20 zoning. I think that's a fair request on their part. But as a condition of that, I think they need to start construction; and this gets a little confusing. And if you take a look at the Road 2, from Queen Ka'ahumanu up to the intersection of Kamanu Street, which is, which would take you to the university -.

WATANABE: The lateral connector?

COFFMAN: Yes. They need to build that. And they need to build a portion of the Kamanu Street that takes you into where the university -. The university land is 72 acres of the 500 acres. All we need is development for that first section when they -. And this will all be predicated upon once they get subdivision approval for that 29 acres. In other words, they have the right to start selling land. But I see it has a fair tradeoff. And also part of the condition is that \$5,000,000 towards as much of a building, the first community college building, they can build. So I think that's a fair tradeoff. They get commercial property they can sell. And if you look at the condition for occupancy, they may build some commercial space in there. But I think they'll, if I were them, I'd be looking to sell that land to various companies for development.

Regarding the Section U, the 20-acre park, again, the same theme here. I think construction needs to start with the approval of the first residential subdivision in that development. And that park needs to be completed either within two years from the start of construction or possibly with the first occupancy permit, whichever -.

And then regarding the conditions for Road 1, I found this interesting that we even get into an agreement that the developer can't, is not, cannot be responsible for. I mean we've got right-of-ways within State land and we've got right-of-ways in private development. I think that's problematic. And what I think I would set up and make is a condition that at the point in time, if you take Road 3A, excuse me, 6A on that map, if they start residential subdivision approval above 6A, then they have a requirement to start building Road 1. And, of course, the conditions there, if there are no right-of-ways available from the State or that private developer, then I think we need -. And I put a number in my recommendation, I know this is with the fair share value, of \$10 million in lieu of building that road; and they just give that to the County who I would hope would put it into an escrow account to build that road when they get the right-of-ways. If this, if only the State portion of the right-of-way is available for them, then they build on that portion of it up to where the private developer owns the land; and then they pay a, again, this is a number I pulled out of the air, and that's what the fair share value would be, but say \$5 million to put into this escrow account; the developer is free to go forward. If we have right-of-ways all the way to the top then the developer would build the road all the way to the top.

And the reason I'm saying all this is that I've seen too many developments around here where you put these funny conditions that can never be met. I mean the developer can sell all their land and go away and we're sitting there with, we the public don't have our facilities. So I think we need to tie these things all down. Commissioners, I thank you for your time.

WATANABE: Thank you. Fellow Commissioners, do we have any questions of Mr. Coffman? Doesn't look like it. Share the mike. Would you state your name and address, please, for the record?

TRASK: Yes. William Kaluakini Trask, 79-7224 Māmalahoa Highway, Hōlualoa, Hawai'i 96725.

I'm president of the American Culinary Federation Kona Kohala Chefs Association. Our organization has over 70 members comprised of resort chefs, cooks, restaurant owners, food lovers, culinary students, educators, culinary industry suppliers, agricultural specialists and food producers.

The Kona Kohala Chefs Association is committed to raising \$1,000,000 in monies and/or equipment, kitchen equipment, for the Culinary Arts program at the new Palamanui West Hawaii Community College.

The Chefs Association feels that further delay of construction of this campus would be highly detrimental to the economic and educational well being of our community. By now, you, the Planning Commission should realize that this project, especially the West Hawaii Community College, is a very positive move in the direction of establishing economic stability with jobs for our construction work force and business for our building suppliers.

Further benefits of establishing a first rate, self-sustaining ecologically responsible Culinary Arts program in West Hawaii would definitely upgrade the caliber of food service professionals sorely needed in our hotels and restaurants at present.

The Kona-Kohala resort area has become an international culinary destination because of the establishment of our Hawaiian regional cuisine by our local chefs and the world-wide trained chefs being brought in by all the high-end resorts and restaurateurs.

Add to the fact that as of a week ago, the #1 Student Culinary Team in the United States is a product of the University of Hawaii Community College System. The Kapi'olani Community College Student Culinary Team on Oahu received gold medals and were named American Culinary Federation 2009 National Student Team Champions at the National Chefs Convention in Florida. Palamanui will also be a Community College that will be able to produce such a team.

As to those in the community who are saying that "if we give into all these concessions now, they will not be put in at a later date," well, Palamanui Global Holdings has a contractual and obligatory responsibility to the community to complete their development per their agreement with the County of Hawaii. Besides, Planning Commission meetings like this will keep them in check and give the public opportunities to voice their concerns as needed

Requiring, at this time, Palamanui Global Holdings to put in an upper access road or a park, when the housing has not of yet been built, seems to be a bit ludicrous. It's time for the Commission to think of the well being of West Hawaii community and agree to the changes being requested by Palamanui.

Thank you for your time and positive consideration of this matter.

WATANABE: Thank you. Do we have any questions of Mr. Trask? Doesn't look like it. Bo Kahui.

KAHUI: Aloha.

COMMISSIONERS: Aloha.

KAHUI: My name is Bo Kahui. I live at 74-5146 Halealono Place in the Kaniohale Community Homestead within the villages of Lai'opua.

I submitted my testimony in support of the changes with respect to the conditions of Ordinance No. 06-105. Now having said that, you have my written testimony.

Someone earlier said that they wanted to speak from the heart. Well, us guys, us native Hawaiians, we speak from the na'au, so I'd like to speak from na'au.

I'm the only person in my family that has graduated from the University of Hawaii. And for many years when you look at the demographics and the education of Hawaiians, we oftentimes forget how to serve that community, or how to build that community up with respect to their educational future. The proposal you have before you today in effect will help accelerate the building of that community college. And as a native Hawaiian and a leader of our community, we need to get that community college started. It's long overdue. When you look at the regional demographics in particular, the urbanization of Kealakehe, Keahuolu, Palamanui, and all of the West Hawaiian region starting from Palani Highway across the west region, you've got to start

today, not tomorrow. We need to find a way to provide an educational institution in which we can begin to break this whole cycle of non-education, particularly for our native people.

So when I, when I think about a park, I just went, spent three days with Mr. Kane, uh, Mr. Kunitomo at the regional airport charrette, three days we hung out, tried to figure out what we're going to do with a park, you know, how can we address the parks in our region, if not to make more parks. But ultimately we said we'll go over there where the golf course was, cause nobody over there. The County owns that land. And we signed a petition, gave it to the Governor and the Governor agrees, although I think now it's in the County's hand. And so I urge the County, and Bobby Command is in the house, to accelerate that plan so that we can offer our communities better opportunities in the recreation area.

Now, don't misunderstand me. I mean I think Palamanui is obligated to provide that community park for that community; and that should not go away. But should we build the park now? Then for whom? Do we need the park, the regional park, on 200 acres in Kealakehe? I say, I say yes. When you look in terms of what's happening in Kealakehe and Keahuolu, 5,000 units are coming, 5,000. That's 20,000 people if you average that out at 4 people per household. We've got Hawaiian families living in our garages because of the economy. And, likewise, for Palamanui when we look at the economy and you cannot sell these homes, I mean, you know, these are high market homes. So delaying the park, I don't believe it's an unreasonable request. But when we look in terms of what we need today about bringing to fruition our institution, or our educational institution, the community college, that needs to start right away. And the connectivity to which this region is going to have through Ane Keohokalole Highway, is more critical because access to that is going to enable our communities from the south to go north to Palamanui. So we encourage this Commission, or at least I will, to approve and support this petition by Palamanui, so that we can start to look at a brighter future for our kids, yeah, with respect to the building of the community college. Mahalo.

WATANABE: Thank you. Fellow Commissioners, any questions? Does not look like it. Thank you, sir. Mr. Kunitake?

KUNITAKE: My name is Walter Kunitake. My address is P. O. Box 365 Hōlualoa, Hawai'i 96725. Thank you for this opportunity for me to appear here to make comment. I fully support the application for the deferrals and the amendments that is being requested.

I am the former UH West Hawai'i director. And the community worked very hard for about, from 20 years ago to get this 500 acres that's over at the Kalaoa site next to the Palamanui property. And as you know, for many years it's always been a very hard press to get funds to get any project of this magnitude started, and I think we are very fortunate that we have Palamanui that came on board as a neighbor who supports the university, community college in this case, to get started. You may have heard how hard pressed we were in the Foodland building up at Kealakekua, and we still are there all crammed up in small classrooms and hard-to-access place. So I think we are looking forward to this new site.

Being a little selfish, you know, I don't see any of the amendments and deferrals that will impact negatively on the start of the college. In terms of the earlier comments about Roadway 1, the one that's connected up to 190, you know, I strongly suggest to the developer that as we heard from prior testimonies, that we have kind of lost trust in some of the prior developments, and I think

developers have to be part of the community and come through. So when we say it's a deferral, that the deferral should not be indefinite. So they should come through and set a good example in the community that says developers are good guys, too. So in that way I support some of the earlier comments about the connector road up to 190, that it should be done in a reasonable time. We are not subject to no access to this place because we do have Ka'iminani and the roadway that comes down to Costco. And in terms of clarification -. Well, I'll make a comment first. My understanding is that the commitment by Palamanui is that they will provide the infrastructure that goes across from the University Avenue out to Ka'iminani and I think it's in orange right now, not the mid-level road but the one below that – that part of the commitment to this development is that they will provide all the infrastructure includes the roadway, the sewer, the water, that goes clearly, clear across to Ka'iminani, which means that we have access to this area from Ka'iminani – it's really above the letter “B”, capital “B”, that orange one that goes across – and also from Queen Ka'ahumanu. So in that regard, we do have connector roads that will access this place from two sides. And as far as I understand the application, that it does not change any of the earlier commitments on that infrastructure development coming from Queen K and Ka'iminani. So as Bo had indicated earlier, that we are trying very hard to get the community college to get going. And we understand the realities of hard economies. So I think it's a reasonable request to adjust a little here and not to basically adjust in a way that they are renegeing on the original contract.

One further comment, and this is really kind of off the agenda, the community as a whole worked very, very hard to get the 500 acres. And we know we are talking about 70-plus acres here for the university. But whoever is in the room including the Planning Commission here, please don't lose sight of the 500 acres because I think we are looking for the long haul here. So whoever has the powers to retain this 500 acres and not lose the 500 acres, we are moving on with this 70-plus acres, but please do not forget the 100 acres (sic) because it was a long battle to get this 500 acres and it was a rare opportunity. We got it, please keep it. Thank you very much.

WATANABE: Thank you, Mr. Kunitake. Do we have any questions for Mr. Kunitake? Does not look like it. Thank you for your testimony. You may be seated. Let me call on the next four. This would be Jim Lally, Mark Van Pernis, Carl Carlson and Bucky Leslie.

GIFFIN: Mr. Chairman?

WATANABE: Yes.

GIFFIN: While you are seating the next four testifiers, could I ask what our schedule is, like, are we going to have a recess soon?

WATANABE: Can we -?

GIFFIN: I can wait for these four, but I do want to know -.

WATANABE: Okay, why don't we, okay, good. Why don't we take a recess after these four testifiers?

GIFFIN: Fine.

WATANABE: Okay? Okay, let's see, can I swear you in then? Would you raise your right hand, please? Do you swear or affirm to tell the truth now before the Planning Commission?

TESTIFIERS: Yes.

WATANABE: And as previously requested, would you state your name and address prior to providing your testimony? We'll begin with you, sir.

VAN PERNIS: I'm Mark Van Pernis, and I live on Ho'opai Road in Makalei Subdivision. First, before I start the testimony, I intended and I want to respond to Commissioner Bowman who, you know, I was flabbergasted to hear from her that she thought the Old Airport Park was lightly used. I think if she checks with the County, she'll find that it's one of the most intensely used parks in the county. I know I can't get baseball games and soccer games scheduled there because they are always booked up for weeks and months in advance. And if you go there, you'll see it's a very intensely used park. And the regional park that was mentioned by a previous speaker, I've been in Kona 30-some years, it's been on the agenda for 30-some years, it's not closer now than it was then. And it's funded by the State, and I don't think, I'm not optimistic I'll see it in my lifetime. And I think it's a situation where parks provided as infrastructure contributions by developers are absolute necessities.

First of all you may recall that at the prior hearing here on this matter the developer said it was a mistake that their application for revisions called for the use of Makalei Drive as a quasi-connector road. Now I assume they'll say it was a mistake that they were advertising to lease, sell or flip the property, which was recently reported in the newspaper, and that it was a mistake that they, in that advertising that Makalei Drive was mentioned as a connection to Māmalahoa Highway. Upon direct request by the Makalei Owners Association whether they would support the Association's gating of the part for Makalei Drive to insure that it wouldn't become Palamanui's de facto connector road, we received only a non-committal platitude in response. I think it just demonstrates a need for specific time conditions to avoid any uncertainty or base adjustment in the future. I think the proposal before you should be amended to, so that it states specifically that Makalei Drive should not be available for access to and from the development prior to the completion and opening, and opening, of the connector road. I think there should be an amendment to require the construction of the park. I think you've heard general spark from the testifiers here. I think what's very important also is that the bond or security deposited in escrow, whatever the security arrangement is going to be for the connector road, must have an escalator such as a consumer price index to provide for escalating cost over time of the connector road. This is an absolute necessity, if you and the rest of the County are not going to be gullibly flimflammed again with promises of infrastructure from the developer that never gets delivered, like Waimea, like Hōkūli'a, so that the County is left holding the bag, an only half-filled bag. In other words, just like in, it was Hōkūli'a who I don't believe will ever build that road all the way through; the bond that they put up is based on 1998 prices, there is not enough money to complete the road. And we well know what Hōkūli'a's financial condition is at the moment.

Now this particular developer promised to provide public infrastructure in exchange for millions and millions of increased value provided by the County permits and approvals. Now they seem to be interested in being bad neighbors to the community generally – they still have the hook of the community college – by asking for a waiver and a reduction of all of these benefits that they

promised in exchange for the increase in the value of the property that they received. They do this because they represented they can't get the financing they want, but I don't see any proof of that and I don't even know what financing that they are asking for. When economic conditions improve, such as they realize greater profits and income, are they making any commitments to return some of the benefits that they are asking you to waive and defer now? Of course not. Once these benefits are waived or deferred, that's permanent; it's a one-way street. You're being asked to join their team to relieve them of the promises to the community while keeping all their benefits, and in fact get more, all at the public's expense. I would just ask you to think about whom do you represent. Thank you.

WATANABE: Okay, thank you. Do we have any questions for Mr. Van Pernis?

BOWMAN: Mr. Chair?

WATANABE: Ms. Bowman.

BOWMAN: Am I -? Is it on? Under the new Condition 6, I guess, it states that "Makalei ... is a 'minor road' and will not be open to the public as a through street until Road 1," and it says "is opened for public use." Does that equate for you that it will be -.

VAN PERNIS: I would ask the condition to be more specific, that the connector road be completed and opened to public use -.

BOWMAN: That's what is says -.

VAN PERNIS: Before Makalei Drive can be utilized. And in that respect Makalei Drive is being proposed to be used for -.

WATANABE: No, Mr. Van Pernis, with all due respect, actually it does state that right now – the revised, not the original that you looked at at the prior -.

VAN PERNIS: If, if I could finish my statement here. There is also condition that Makalei Drive not be used for construction vehicles; I would ask that that specific requirement be made more specific by saying construction vehicles not only of Palamanui, their contractors, also their grantees and lessees, because we have a situation where it's not enforceable. This condition is not enforceable, if they for instance lease property or sell property to someone and then they start running their construction vehicles up and down Makalei. There has been discussion about, well, Makalei can be used for water construction or water improvement constructions. We need specific requirements that no construction vehicles be utilized on Makalei no matter, in relation to this project not just the, not just binding on Palamanui because otherwise we are in a situation where -. What are we to do when these trucks are gliding up and down on our 18 percent grade road? Call the police? We need something specific that we can refer to.

WATANABE: Okay, Director -.

BOWMAN: Condition X states, "Construction vehicles shall not utilize Makalei Drive."

VAN PERNIS: What, whose construction vehicles, ma'am?

BOWMAN: It says "construction." So I think it's even maybe more inclusive because we are not necessarily talking about -.

LEITHEAD TODD: Mr. -.

VAN PERNIS: Well, I'm in a legal business -.

BOWMAN: Okay, thank you.

WATANABE: Okay -.

VAN PERNIS: I'm in a legal business and what I'm saying is that -.

WATANABE: Ms., Ms. Bowman -.

VAN PERNIS: That's not enforceable against anybody other than the parties to this particular document, and that means Palamanui -.

WATANABE: Okay.

VAN PERNIS: If, if, and I would ask that no construction vehicles of Palamanui or any of its contractors, lessees or grantees. I would ask for that clarification.

WATANABE: Okay.

BOWMAN: Thank you.

WATANABE: Madam Director.

LEITHEAD TODD: Mr. Van Pernis, is, is, if I'm understanding you correctly, you are saying that if they have to do water improvements, which have to be done on Makalei Drive in order to bring water down to their project, you are saying that you don't want to have any of that work done on Makalei Drive -.

VAN PERNIS: No, I'm not saying, I'm not saying that because I think the understanding is that water improvements will be constructed using Makalei Drive. But when you have a vague and unenforceable provision that says "no construction vehicles" in an ordinance, that's only going to be binding on Palamanui, not their contractors, not their lessees, not their grantees. When these other folks are using Makalei Drive and start going through the gate at the bottom, then, which is controlled by an entity of Palamanui, then we are in a situation where we have no enforceability.

LEITHEAD TODD: So if I understand your concern, it's that any construction vehicles that are headed for construction activities on the Palamanui property would be prohibited from using Makalei as an access to the Palamanui property.

VAN PERNIS: That's correct. And not only Palamanui but any of its grantees, lessees, anyone in that category. Without that, we have an unenforceable provision. Your ordinance doesn't bind anybody but Palamanui and the County.

WATANABE: Okay, well, thank you for your comments. Name and address, please, sir.

CARLSON: My name is Carl Carlson. I reside at 73-1515 Apela Place, Kailua-Kona. I was born on Maui, have been on the Big Island since 1968, and moved to West Hawai'i in '69 to be the manager at Huehue Ranch. Palamanui is formerly Huehue Ranch Land. And although they sold the land prior to my being there, we used to run cattle there and I hiked the area; I know the land intimately.

My passion, however, really is education. And I'm here to speak on behalf of Palamanui for deferral, just for the deferral of their timing. And I'm doing so for a number of reasons. University of Hawai'i had started a program here in Kona as a community college level back in 1983. My wife along with two other women were the first graduates of that program. Then they went on to University of Hawai'i at Hilo and commuted and graduated in 1998. In the '70's and early '80's I was a member of the Board of Regents of University of Hawai'i. I currently am serving again as a member of the Board of Regents of University of Hawai'i. I realize the value of education and importance of education to this part of the island. Under the strategic plan of the University of Hawai'i, it is pointed out that one of the goals is to provide greater access to native Hawaiians, and it also points out that West Hawai'i is the second most underserved area in the State of Hawai'i with regard to education. In my case I'll admit to be selfish; I'm willing to make a tradeoff timing of construction of Roadway 1 so that we can get timing of getting the community college built. The stars are aligned right now. We have a public-private partnership where we have State monies, University monies, individual monies, developer monies and private fund raising going on. We have the land available. We have the heart to do it. And we want to do it. And I'm here to support that and ask your support of that. This is for the kids of West Hawai'i and for those who need to retool their education in these tough economic times. Now is the time that people go back to school. We currently serve over 400 kids up at Kealakekua; we can serve many more, if we have a campus down here. And so I'm here requesting a time extension for them. I'm happy to answer any questions you might have.

WATANABE: Thank you. Well, fellow Commissioners, do we have any questions of Mr. Carlson? Seeing none, would you state your name and address, sir?

LALLY: My name is Jim Lally. My address is 68-1050 Mauna Lani Point, Kamuela. And I'm here also to speak in favor of Palamanui because of the community college. This is the second Planning Commission meeting that I've attended, and I'm quite struck by the diversity of opinions that I've heard throughout this meeting as well as the prior meeting. And it's got to be really difficult, I think, to try and sort through all those different inputs. But if we can all step back and look at the picture from the standpoint of what our community goals are totally, even with all those widely divergent views, I think there are several things that we can all agree on. And as I was thinking about those things, the economic realities of today are very different than they were in 2007, and investment capital is more difficult to come by. And what that means to us is that we're all going to have to just work a little bit harder but we're going to have to work a lot more together to accomplish our common goals because of the environment

that we are in right now. And one of the most significant common goals that I think that we have as a community is a community college. We don't have a, as we all know, we don't have a community college. We don't have access for our kids here in West Hawai'i to a community college. And the statistics that I'm going to quote right now, I think, are the most striking statistics that I've heard. And if we look at the fact that 24 percent of our kids in East Hawai'i, those are our kids in East Hawai'i, 24 percent of them go to a 13th year of school. That's not a number to really be proud of. But if you contrast that number to the fact that eight percent of our kids in West Hawai'i go to a 13th year of school, that's a horrifying statistic – absolutely horrifying. And the fact that we are depriving our kids in West Hawai'i from that opportunity is something that we need to correct. So if we are looking at two groups of kids, one group of that subset of kids from East Hawai'i who do have the opportunity to go to school, looking at that group, 16 out of 25 of our kids are making 30 percent less money and living seven years less – the life expectancy of those kids. And those are statistics from going to a 13th year of school. That's why I'm so passionate about the need for a community college here.

As soon as we decided about two years ago that we were going to build a community college here in West Hawai'i and not wait for someone to build it for us, we started to make incredible progress in terms of getting the college put together. We have, as Carl has just mentioned, we have support from the State. We have the land now. We have support from the State. We have money from the State – \$2,000,000 to help do the planning. We have commitments from University of Hawai'i – \$4,000,000 a year to provide operating funds for the community college. We have support from Palamanui – the \$5,000,000 contribution toward the cost of the first building. So we've made incredible progress. We've raise a total of \$13,000,000. And we need an additional only \$2,000,000 to complete the first building. So we are poised for victory. We are poised to build the campus after 15, after the hard work of many people for almost 15 or 20 years. And we do need the infrastructure that Palamanui is putting in place in order to complete the construction of those buildings. And that's why I feel it's so important that we support Palamanui at this point in time to get the campus built. And so I humbly request that you support Palamanui, which supports our community college that we need so desperately for the kids here. Thank you.

WATANABE: Thank you. Fellow Commissioners, do we have any questions of Mr. Lally?

HOUSEL: Yeah, I had one -.

WATANABE: Yes.

HOUSEL: One question. Just to understand the math, you said that \$13,000,000 is available for the first building. Does that include Palamanui's \$5,000,000 contribution?

LALLY: That includes Palamanui's \$5,000,000.

HOUSEL: Okay.

LALLY: That includes \$2,000,000 from the State, \$4,000,000 from the University, \$5,000,000 from Palamanui, \$2,000,000 from the business community and \$1,000,000 so far from the residents.

HOUSEL: Okay.

LALLY: And so we just need to raise an additional \$2,000,000, which we are committed to get done before the end of the year. And I'm confident that we'll do that.

HOUSEL: Very good. Thank you.

WATANABE: Any further questions? Thank you for your testimony. Mr. Leslie?

LESLIE: Good morning, Mr. Chairman and Members of the board. Kudos to all of you to put up with all the hearing of positives and negatives. I'm sure you're going to end up with headaches after this. I'm in the positive mode for the -.

WATANABE: Mr. Leslie, sorry -.

LESLIE: Oh, I'm sorry.

WATANABE: But your address, please.

LESLIE: Bucky Leslie aka Gene Leslie. 75-5815 Māmalahoa, Hōlualoa.

WATANABE: Thank you.

LESLIE: You want my phone number? Anyway, going back to this, I'm in the positive mode for the Palamanui construction and move on. We do realize that there are a lot of us here in the community that are not working and need to get on to work. A lot of our families are being in poverty stricken by these so called not-working. So you have my testimony report here with nothing else better to say you can read. I won't bore you with what everybody else is boring you with. So thank you for having us here today.

WATANABE: Thank you very much. Yes -.

HOUSEL: Mr. Chair, I'm sorry.

WATANABE: Mr. Housel.

HOUSEL: I had one question I wanted to follow up.

WATANABE: Sure.

HOUSEL: I want to ask Mr. Lally -.

WATANABE: Oh, okay, sure.

HOUSEL: If I could, just a second here. The funds, the donations and everything that's been set aside for the first university building, in case there is a delay of building that building for whatever reason, are there any problems with losing any of that money?

LALLY: Yes.

HOUSEL: Okay.

LALLY: People, people will not go ahead and live up to their pledges and commitments, if the construction of the campus is delayed.

HOUSEL: Okay. Is there a limit on what you think the limit might be of risk of losing that money?

LALLY: I wouldn't, I would hate to prognosticate on what that would be, but if we, as far as I can see, we are, there is no reason to delay the campus. If we delay the campus for one year, that's probably 200 kids that are going to be deprived of an education. If we delayed for two years, it's probably 500 kids. We just need to do it.

HOUSEL: Yes, okay, thank you.

WATANABE: Okay. Do we have any questions for Mr. Leslie? Seeing none, thank you for your testimony. You may be seated. Let's take a 10-minute break here because I think some of us need a restroom break.

RECESSED The Chair called a recess at 11:50 a.m.

RECONVENED The meeting reconvened at 12:06 p.m.

WATANABE: Will the Leeward Planning Commission meeting please come back into order? This is the general plan. We have by my count four more individuals from the public who have signed up to testify. We'd like to provide them with the time to testify now prior to lunch. I'm sure that the deliberations will be time-consuming and lively. So what we plan to do is after these four individuals testify, then break for lunch and reconvene to deliberate on Agenda Item Nos. 3 and 4. I believe that will probably be the most appropriate thing to do. So that's said, may I call the four remaining people to testify? I have Shannon Rudolph, Greg Ogin, Rick Vidgen and Cheryl Holdcroft. So would those four individuals please come up? There ought to be another -. Cheryl Holdcroft? That's you? Okay. Then, Shannon Rudolph? Is there a Shannon Rudolph here present? Okay. So may I swear you in? Would you raise your right hand, please? Do you swear or affirm to tell the truth now before the Planning Commission?

TESTIFIERS: I do.

WATANABE: Thank you. And as previously requested, would each of you state your name and address prior to beginning of your testimony? And we can maybe begin with you, Shannon.

RUDOLPH: Aloha. Thank you for coming.

COMMISSIONERS: Aloha.

RUDOLPH: My name is Shannon Rudolph. My address is Post Office Box 243 Hōlualoa, Hawai‘i 96725. And I feel somewhat ill-prepared; I didn’t write a testimony. I just assume from what I read in the paper that this was pretty much already a done deal. I’m really concerned as a Kona resident that so many developments that have gone before us, developers – not that I’m against development, I’m not – but so many times developers have come in and promised us the moon, and then those promises don’t materialize. I’m concerned that everyone seems to say, oh, we want to have a university; of course we want to have a university, but I’m really not sure we’re really going to get a university out of this. We’ve been fooled many times before here in Kona. And as far as the saying that the economy is down, we need jobs – of course we do – but I don’t believe that the economy is going to be down all that long. And I know that we are sitting out here in the jewel of the Pacific where everyone wants to live, and I know that the traffic will come back like it was before, probably much, much worse. And I’m just trying to look ahead to the future a little more to not fall for promises as we have in the past of things that don’t actually materialize. And I just think that this is not the right time to do this, and I ask that you deny this request because they’ve already made commitments of what they are going to do. And now it seems like, which has happened a lot of times, we were promised the moon and then things don’t turn out that way for some reason. And as a resident, we don’t quite understand how a developer makes these commitments and then can back out of them. So I’m just really concerned about that. Thank you.

WATANABE: Thank you. Fellow Commissioners, do we have any questions for Ms. Rudolph? Okay, thank you. Mr. Ogin?

OGIN: My name is Greg Ogin. 77-340 Nohealani Street, Kailua-Kona, Hawai‘i. I’m here in support of the project. But more importantly I’m here to confess on the situation that occurred in the paper yesterday. It was reported that Palamanui was, I guess, aggressively pursuing the sale of the lots. And my company has been working with Palamanui over the past years, so and we have been looking at various ways of making the commercial component viable. I would say over the past year we started to look at the industrial lots, and have been working with Palamanui to create a plan to sell those lots. It was to my dismay yesterday to see that article in the paper. And the issue of us having a link on line was true. And the reason it was there is one of my associates was given direction to update one of our databases and did so quite effectively; and what he didn’t understand is that there are two databases – one is in-house and one is on the Internet. And unfortunately, the Palamanui information wound up on the Internet. It is no longer there. It did not have any sale information other than the project overview, and there was some reference to leasing, which was totally inappropriate. But it was a mistake on behalf of our company; it was not Palamanui. What I will state is that in working with Palamanui we have been, they have been very concerned about us having the right, following the right procedure. It’s in our contract. It is also an issue with us, with my license, you know; we are not allowed to put anything on the market unless it has gone through the proper zoning, and we were very aware of that. So I just wanted to appear before you and let you know that it was not under the direction of Palamanui that that appeared on the Internet; it was a mistake by our company. Thank you.

WATANABE: Oh, thank you for clearing that up. Do we have any further questions of Mr. Ogin? None? Mr. Vidgen?

VIDGEN: Good afternoon. My name is Rick Vidgen. I'm, I've been before -. I live at 78-630 Ihilani Place, Kailua-Kona 96740. I happened to be on the Board of the Chamber of Commerce. I'm on, unfortunately for me, I'm on the State Hospital Board yet again. And I'm the Chair of the Governor's Advisory Committee. But today I'm here just as a private citizen. I have recently got involved very heavily with the project called Big Island Carbon up in Kawaihae, and in that role I'm possibly a little selfish with appearing here to support Palamanui's request and to support Jim Lally and Carl Carlson and all the other people that spoke in favor of this.

I'm relatively a new comer to the community having being here since 1991, but I've been involved in an ad hoc committee looking at the UH West Hawai'i or Hawai'i Community College for the last three or four years. And mostly I did that because I just had my daughter graduate last year from Chapman University, and I got to understand two things, I suppose, which are very important. First of all how very few options she had, living in West Hawai'i. There were very few options. Going to Hilo was an option, of course, but that's traveling all the time, not living there. And I'm also very aware, of course, of how costly it was for her to go to college. I'm a newbie also in what's been, I believe, a 20- to 30-year process to get this far. You heard Walter Kunitake talk about the efforts that were put in in the past. However, to me HCC West Hawai'i is probably the most single important issue for West Hawai'i. I mean I know we need employment – that's obvious. I know we need roads, we need jobs. But most of all we need education because that's thinking about the future and it's not thinking about right here today.

With Big Island Carbon 50 percent through its development I suppose, as I said, my interest is somewhat more selfish. We need an educated technical workforce, and right now they mostly have to be imports. We'll be employing as many local people as we can, but there are going to be people who were educated elsewhere because there is no way for them to be educated here. HCC is critical and without Palamanui it'll be another 30 years before anything happens. Let's face it. That will be the way it is.

I appreciate that they want some concessions. But these are generally for timing only. And I believe we have a much better system in the county these days for managing that, and certainly we have a number of people in the, and a number of newspapers that will make sure that it gets managed properly. So I don't think that's a real issue.

I love the thought of new parks, and I actually much enjoy when I drive home the view of Pualani Estates Park being used an awful lot by organized and casual people, and it's really a joyous thing to see. However, you've got to remember it's surrounded by significant housing, and that, I'll suggest, is the reasons for its use; thinking that Palamanui before it gets housing will get the same use is a bit of a stretch.

A connector road up to the top road may be useful sometime in the future for Waimea people who want to get to the airport quickly, and if there're a lot of golfers at the Palamanui Estates, they can get up to Makalei Estates. Apart from that I don't think it's going to be much used. I think it's that simple.

Very simply we need Hawai'i Community College. We'd like a park when there is housing in place; obviously I think that's a very good thing and will happen. And sometime way in the

future we probably benefit from a connector road. Aside from that it just needs to go ahead, otherwise we'll be still sitting here in 30 years debating the need for further education in West Hawai'i. Thank you.

WATANABE: Thank you. Fellow Commissioners, any questions for Mr. Vidgen? Seeing none, ma'am? Cheryl Holdcroft, right?

HOLDCROFT: Hi, my name is Cheryl Holdcroft. I live at, well, Post Office Box 1449 Kailua-Kona, Hawai'i. I'm here today as a citizen of West Hawai'i. And I live in Kona Palisades. And I'm here to talk about the benefit that I think Palamanui will bring to the people who live in North Hawai'i, in the north part of West Hawai'i near Palisades who have no services. And I look at Palamanui as a great way to provide services for those of us who have to fight traffic to get into town for childcare, for shopping, for physician's appointments and for all of those things. We are really underserved, yet we're a rapidly growing area in the area.

As a little reminder, you know, the north-south, the south, excuse me, the south-north migration over the last 30 years for Kailua-Kona has been astounding. To think that we didn't have a stop light in Kona 30 years ago is so amazing for those of us who've only lived here ten years. And I really think that that migration is going to continue, and that we can't deny that. But what we can do is we can embrace this development, which after a close study of this development I think is one of the most elegant, well-planned, kama'aina developments that I've seen presented here for the entire State of Hawai'i. We're talking a college, which our kids desperately need. We're talking the potential for medical services, which we desperately need in the Palisades area. We're talking about some retail; we're talking about being able to shop a little bit closer to our homes. And we're also talking about a multi-range of housing options, which again are so difficult for people here in Kona.

I've looked at the partners behind Palamanui, and I have to say that they are so well respected. They have a presence in the community, a presence here in Hawai'i; they are trusted business leaders. There is nothing in any way that makes me think that these are fly-by-night, let's get what we can out of this development and not take care of our promises to the community. This is not the caliber of people that we're working with on this project. Also, if you go look at Palamanui and you see the magnitude of this project, you realize that the small compromises, public promi-, private compromises we're making are so small in comparison with what our community is going to gain in the next five, ten, 20 years. Public-private partnerships are the future; they are the future on the mainland, they need to be the future here.

The fact that we now have a leeward planning board illustrates that our county is maturing as our projects and the needs of our citizens are maturing as Kailua-Kona changes. I'm sure that the leeward planning board realizes it's their responsibility and the County Council's responsibility to monitor ongoing projects, that's what you do, and so that we don't revisit problems of the past, which so many people testifying have talked about.

In closing what I want to say is that fear of the past and fear of past mistakes should not keep us from embracing our future. Palamanui, the community college, the services that will provide are our future. And it's so important that we work together to make sure this happens. Speaking specifically for the community college, I'm raising two high school daughters and I can't say enough about how our young people here need these educational opportunities. I've been

involved in helping with the fundraising for this college; people are so excited and so thrilled that we might get this college that they can't wait to donate money for the cause – from a \$25 donation from a grandmother to \$100,000 donation from an influential business person. So please understand. I support this development, and I say let's move forward in a positive way. Thank you.

WATANABE: Thank you. Fellow Commissioners, any questions? None? You all may be seated. I have a last-minute person that signed up. Jeff Sacher?

SACHER: So you know I had, I did it this morning with the other one. Somebody -.

WATANABE: Yeah, I guess we, we may have gotten confused and thought we put you on the wrong sheet -.

SACHER: Thought you just don't like me.

WATANABE: No. No, no, no. How come we do not like you? You've already been sworn in and you've already stated your address, so you know -.

SACHER: Okay.

WATANABE: Go ahead with your testimony.

SACHER: Well, I was here at the last hearing you had, and I do thank you folks for postponing it so that you can get more information – I appreciate that. I think that's what the Commission is here to do. And as I said the last time, everyone has had to deal with the economic downturn. To me this is a major developer that should have planned better. We can't have developers coming in and then ask to change the rules once the game has started. We have plenty of retail, industrial and commercial areas already, and they are having trouble. We don't need more. I have many concerns that have been already voiced and probably will be voiced in the future. But my main concern is the road, and that's something that's come up. We have this all over the island. I don't care if it's residential, I don't care if it's commercial, the roads are needed. This should be a standard requirement of the Planning Commission that all roads are in prior to any buildings being constructed for this and any other development.

The only other thing that has got me this afternoon, and hopefully someone could put my mind at rest, is I heard everybody talk about the college. And I must be under misconception and hopefully you folks can square that away for me. I was told that part of Palamanui getting their permits was that they were going to build a temporary structure for the college until the State got funding at which time the State was then going to build the campus, and it may be on Palamanui or it may be on adjacent land, and then once that was done and that was built, the building will go back to Palamanui. So if I'm wrong, you know, please point that out because I've heard a lot of people are concerned that -.

WATANABE: I think, I think maybe the Director can -.

LEITHEAD TODD: Those were the conditions when this was originally envisioned and as it went through the Land Use Commission. When it got to the County, it was amended and instead

of building the temporary facility within the village core, the current condition of the ordinance, and which remains intact in this proposed amendment, is that Palamanui has to contribute \$5,000,000 towards the construction of a permanent building on State land. So when - You had Mr. Lally testifying and he was talking about all of those components that go together. It's a building that will be permanently part of the West Hawai'i campus, and Palamanui's obligations are to bring water down because they need water to service the campus and also to build, put \$5,000,000 towards the construction of the first building, but they also have to build that Road 3A on that map up there, which connects from Ka'iminani Drive to their village center, and they also have to build from Queen Ka'ahumanu up to their village center, which gives the access to the university so that they have both an access from Queen Ka'ahumanu as well as an access from Ka'iminani for the students to go.

SACHER: I appreciate that. So I guess my question is then, what is the fear that this isn't going to happen? Because it sounds to me like the understanding is that this is going in; this is part of the agreement. But what I'm hearing this morning is people saying if we don't make these concessions, we don't get a campus. And yet, what you just, what I understand from what you just told me is it is there.

LEITHEAD TODD: The concessions are that basically, as the ordinance was originally put together, they had to put all of the infrastructure in at the same time; so that would mean all of the roads in there, all the roads, the road going up to Māmalahoa, all the internal roads, the park, and there was also a condition that for every piece of commercial, or for every 600 square feet of commercial property retail produce they had to build residential. What they came and asked is they want to de-link the connection between the amount of commercial space bought and the number of residential units so that they could develop the commercial section first. And they also ask for phasing so that the road from Queen K to the village center and the road from the village center in front of the university to Ka'iminani would be built first, and then the other roads would be built as the project develops; so that basically the bottom half develops and then as they start building the residential components, then they would build the roads that service those components. So it's basically phasing that. They are still required to build all of that. But instead of having to build all of it upfront, they are asking for phasing. But they are still required to do those two roadways that directly service the university first.

SACHER: Thank you. Well, I'll finish up. I just think what I heard this afternoon is it sounded like there was a lot of fear, and I got this – forgive me for lack of a better word – this feeling of blackmail, like, if we don't get this, we can't do this. And like I said, my understanding is that that campus, that building is there, it's going to be there, and that's part of the agreement. And the only thing I ask you folks to do is see that. I know this lady said let's move forward, and that's all well and good. But if we don't learn from history and if we don't take that into account, then I don't think any of us are doing our jobs properly. So I'm saying please don't let this happen again. You are here for the people and not for the developers. And I ask that you really put a lot into this and look at it, and for those people who think that this campus is in total jeopardy, to maybe revisit that because it doesn't sound to me as if it is. And I think if this developer is going to prove to the community its true intent about staying here, that that campus will go in come hell or high water. Thank you.

WATANABE: Thank you. Fellow Commissioners, any questions of Mr. Sacher? Seeing none, you may be seated. Thank you. And that is, yeah, we've gone through everyone that

signed up from the public. So as I sated earlier, you know, because the deliberations on this will probably be time-consuming, we'll break for lunch now and reconvene in about, what, 2:15, about that?

LEITHEAD TODD: Two? 2:15? Up to you, Mr. Chair.

WATANABE: Yeah, around 2:00 to 2:15 to begin deliberation -.

LEITHEAD TODD: You've got to state a specific time.

WATANABE: Oh, 2:15. 2:00. Okay, okay, 2:00. We'll reconvene at two o'clock. Oh, I said 2:00. I guess I made an error in my addition. So let's say 1:30, reconvene at 1:30. I'm sorry about that.

RECESSED The Chair called a lunch recess at 12:38 p.m.

RECONVENED The meeting reconvened at 1:54 p.m.

WATANABE: Leeward Planning Commission come back to order, please. Now that we've concluded the public testimony, I'd like to call the applicants up to the front here and -. So may I swear the both of you in? Do you swear or affirm to tell the truth now before the Planning Commission?

OKAMOTO: I do.

HARRIS: I do.

WATANABE: Thank you. Well, you have the mike, Mr. Harris, so maybe you can state your name and address, and so could Alan, and then we can begin.

HARRIS: Okay, my name is Roger Harris. I'm a Palamanui planning manager. My address is 66-1452 Ko Uka Place, Kamuela, Hawai'i.

OKAMOTO: Good morning, I'm sorry, good afternoon, Members of the Commission. I'm Alan Okamoto. I'm the attorney for the applicant. My address is 847B Uilani Place, Hilo.

WATANABE: Thank you. Well, you've heard the testimony, and there was a quite bit for as well as against, and I guess it's fairly consistent with our previous meeting as far as the points of contention. It seems we've gotten it cleared up that you're not really asking for any concessions that would alleviate you from any of the prior commitments – merely timing concessions that are involved. And I was wondering if, since it seems like both, all three parties – Public Works, Planning Department as well as yourselves – have agreed on the conditions pretty much, maybe you could address some of the concerns that were voiced earlier by, through public testimony.

HARRIS: Thank you, Mr. Chairman and Members of the Commission. I think we try to be upbeat because we really, the crux to this is we want to get started. And we got the zoning in '06, here we are three years later and we've done a lot of work. I'd like to say that Ms.

Leithead Todd, I think, described it very well in the answer at the end of the hearing when she said this is a scheduling issue; we are not asking to delete any community benefit conditions, but we are asking for deferral on the park and on the road used to be called Road 4. And I'd like to add that the other roads, the other big roads into the site are, on that map Road 2, or the Kamanu Street that goes to the community college from Ka'iminani, and then our main road in from Queen Ka'ahumanu Highway and the new intersection up to the college, if you read your new conditions, and this has always been the intent, those roads get constructed simultaneously with the first building of the community college, which we are going with our \$5,000,000. We have the architecture under way, which we are paying for. There is really no State or other money required. It's a question of how that, how that compound of an original first building of the college, how extensive it gets with the money from Jim Lally and the UH and the State. But the \$5,000,000 commitment from us is being spent already and we are hoping to have a building permit set and start by the end of the year.

On Road 4 I'd like to say briefly, the new road up, Road 1, the deferral road, we have done a lot of work on that, too, already. I think a lot of people have a very skeptical view of how real that may be. But it's only going through State of Hawai'i land, the lower land, and then another landowner used to be called Lynch Properties, formerly Makalei Golf Course, formerly Huehue Ranch. But we have communicated with them; Lynch at the time the old Council passed our zoning submitted a letter promising to give the right-of-way, and Gramercy then condemned the land, I mean, took the land back in a foreclosure, they have been in communication with us. It's not very frequent, but we have communicated, we've sent them a right-of-way grading plan, road plan. We've spent at least \$150,000 on the archaeological surveys, the botany, the flora/fauna, to get a right-of-way that works in there. And we've discussed this with Public Works and other people. So there's a lot of, I'd say, positive news that that can really happen. Now, nobody can guarantee the right-of-way is going to be flawless. But it's more positive than you may think and we'll keep doing that. Our requirement is to do that.

On the site we have a grading permit that we got just before our ground blessing a year and a half or two years ago, and have done some mass grading. We've graded in the right-of-way for the mauka-makai road. There's a lot at work. On the road to Ka'iminani we have a grading permit in hand. We have plans done, a few more touchups on one end of the plan, but that's about it. Progress on the college, as I said, we are just about ready for building permit plans and it's a LEED's Platinum design building.

So finally, I would just say that our partners, our owners are committed to going ahead. It's a phasing issue. We want to go ahead with that initial \$24,000,000, including the college, and we just need a little relief on the other end for the other roads. Thank you.

WATANABE: Okay, just to clarify, though, because I do recall one of the testifiers indicating, oh, you should build that mid-level – I think it's Kamanu Road – just at least up to the university site. But you are actually committed to build all the way through to Ka'iminani Drive. Am I correct in that?

OKAMOTO: That's correct. Yeah. We'll connect the whole road so -.

WATANABE: Right, exactly, so -.

OKAMOTO: The university will have two access points.

WATANABE: Exactly, yeah. I just wanted to make that clear for the record. Fellow Commissioners, do we have any questions of the applicant?

BOWMAN: I do.

WATANABE: Ms. Bowman.

BOWMAN: Just in regards to Makalei Estates, do you foresee any reason why except for the waterline that you would need to go through there? I know that was a concern by several residents.

HARRIS: Right. No, we've always been in agreement that we are not allowed to run our construction trucks, and our subs and our agents and our designees to go through there. We do, as they have said, as we do need to dig up part of the road and put in waterlines, some water tanks, that's it.

BOWMAN: Okay, thank you.

WATANABE: Any further questions? Yes, Mr. Housel.

HOUSEL: Yeah, I'd like to get a clarification, if I can. On the Kona CDP map, it shows University Drive which begins at Queen K, 2, and goes mauka to Makalei as one continuous street. Now your depiction shows it as a dogleg, is that correct?

HARRIS: Yes.

HOUSEL: Is that, this is the intent of the design here?

HARRIS: Yes, you know, it's, it could be adjusted. In fact, we, in meeting with Public Works and Planning the main thing they wanted was a bigger right-of-way, the horizontal right-of-way going across there, than 120, which we can go up from 88 to 120 for that right-of-way, and then we would build the first two lanes and then connect up what's called University Drive. There is a cave right there by where it says "3B" and "1B" that we have to work around. So to make the configuration straight up like the map, I can't guarantee that this is going to be straight up, but it's going to be a full on through road connected. It may have an S curve in it, that's all.

HOUSEL: When that eventually is built and the mid-level road is built, would that be a signalized intersection?

HARRIS: You know, at our meeting in Hilo we talked about a roundabout; so I don't think it needs a signal.

HOUSEL: Okay. Now, as you are aware, the Kona CDP defines University Drive as a priority road.

HARRIS: Yes.

HOUSEL: Okay, and that means from where it starts on Queen K all the way to the top. How far will you be building University Drive in the first phase?

HARRIS: As Bobby Jean said, well, we have already pioneered it in from the bottom of Makalei Drive through the forest, you know, not through the forest, avoiding the forest but through some of the trees and down to, as you see it, that blue, the blue line, because the first thing we have to do is put the waterline in. So we have to take it to grade, get the waterline in, and we have to put a 10-foot, minimum 10-foot, pave on top of the waterline; that's to get the waterline activated to feed the university and everything else. But we don't have a firm schedule for actually finishing that road because, as the Director mentioned, it's the scheduling that will follow more or less the growth and the demand, and we can't get, the whole reason is, we can't get too far ahead of ourselves and building roads that we are not going to be, you know, using.

HOUSEL: Sure. Will the waterline follow the road?

HARRIS: Yes.

HOUSEL: Okay.

HARRIS: Now the only caveat is your other point; if we realign that road, we'll have to determine that. But the waterline comes down the road now.

HOUSEL: I see, okay. Thank you.

WATANABE: Any further questions? Yes -.

LEE: Mr. Harris, at this time what would you say is the, has been the financial commitment as far as work in the ground or on the ground for the Palamanui project?

HARRIS: Well, the dollar numbers, what we have expended on the ground is at least \$5,000,000 ~ \$6,000,000 so far, and another major millions on engineering and planning.

LEE: So a substantial amount has already been committed to seeing this going forward.

HARRIS: Yeah, that's mainly mass grading of those, the backbone infrastructure. And as I have said, what we want to do is pop the cork open and spend the next \$23,000,000. But the problem is if I'm looking at another \$20,000,000 right behind that with the weak market, that's our whole problem. So we're just asking to phase it.

WATANABE: Yeah.

HARRIS: (Receiving comment from Guy Lam who is in the audience.) Okay, there's a -. Yeah, it's \$18,000,000 – we've done a lot more, a lot more engineering and work.

WATANABE: Okay, so that \$18,000,000 is not inclusive of the \$6,500,000 you at the last meeting said was already committed, yeah, for the waterline?

HARRIS: Yeah, \$6,500,000 would be the next, that would be part of our, you know, what we were saying is -.

WATANABE: Just, just the water, it's already committed -.

HARRIS: Yeah, what we are saying is the next \$23,000,000 -.

WATANABE: But it's not part of what is spent already.

HARRIS: Correct.

WATANABE: Yeah, okay, okay. So basically you're saying \$24,000,000, \$25,000,000, someplace in that neighborhood. It's -.

HARRIS: Yeah.

WATANABE: Pretty much, I mean, it's going to be spent already, right?

HARRIS: Yeah, and then, I mean, the \$6,000,000 is part of the next \$24,000,000 that gives us the college and the first roads.

WATANABE: Okay, okay, thank you. Do we have any further -? Yes, Mr. Housel.

HOUSEL: Mr. Harris, I want to ask you a little more about your planned phasing of this development. When was your grading stopped?

HARRIS: I would say about eleven months ago.

HOUSEL: Okay, so it's been on hold for about a year then, right?

HARRIS: Just about.

HOUSEL: Okay. And when did you first submit the request of changes?

HARRIS: This package, I think, was in March or April, yeah, just -.

HOUSEL: Okay. Have there -? You know, of course, things were pretty gloom at that time, you know, in the economy and a lot of uncertainty. Do you see that possibly things are starting to change now?

HARRIS: We think it's still pretty bleak out there honestly but, you know, like the paper this morning said that housing starts on the mainland, their sales are a little better. But around here, I mean, we get so many calls for jobs, and prices have gone down and, or are still going down. But you know, there're a lot of houses out there already. I mean, to sit back and say, I'm going to put lots of money in a housing development, you've got to be, you've got to

stage that money in. And what our guys are saying, as we told you before, the community benefit that means most to everybody is getting that college started. And once a first building goes up, more buildings will come. So if we can do that, and that'll, you know, by sometime in 2011, 2010 will be construction and then we'll wrap it up, and then we are hoping that there's going to be a better market and -.

HOUSEL: Yeah, one of your requests in here is to unlink the commercial with the residential, right?

HARRIS: Yes.

HOUSEL: And so that you can proceed to develop the commercial without the requirement to build residential, right?

HARRIS: Yeah, although the real reason, as I've tried to state, is we can't live without building residential. I mean we have 725 acres and, you know, the vast majority of it is there is a lot of open space, but it's a residential project. There just happens to be some commercial; the 102-max acres could be commercial. So, but the way that condition reads, as I've told you before, it's a real escrow killer because we just can't promise we'll have houses in the air every time we want to build a commercial building, that's all.

HOUSEL: Right, right, well, I mean, so are you saying that, without that link, that you're going to, it's not really practical to build residential right now, the financing is too difficult; so it's likely you're going to delay the residential, is that correct?

HARRIS: Well, we can't really get any residential on the market for, you know, about two years from now, if we start. Let's say we are starting by the end of the year, get the backbone in, get the first pads ready, get that market some commercial deals, and we need, we need residential deals going, too.

HOUSEL: Sure, sure. No, I fully understand you intend to do residential. It's just a question when that's going to happen. I'm looking at things of what's changed since March for instance, okay? Yesterday, as you know, the Dow closed over 9,000 for the first time in eight months. In fact, the value of Charles Schwab stock has gone up 50 percent since March, okay? So it appears to me that there might be some light at the end of the tunnel with regard to, you know, approaching the residential. It's not, I agree with you, it's not there yet; we're still, you know, in the woods. But I'm looking at what concessions you are asking for that may apply when the residential, you know, is ready to go, and one of the things I'm looking at is the park and the timing on the park. And I'd like to, in light of maybe this opportunity, this light at the end of the tunnel, ask you to consider not asking for the 101st building, I mean, permit to wait to do the park. Here is my reasoning here. This is a district park, 20 acres, okay? If I were going to buy a house there, there is no park within eight miles, okay, to me that would be a disincentive to buy a house at that location, if I really wanted a park. So I believe if you go to, my suggestion is go back to your original agreement that the park would be available when the first house is available, I think that will be a strong selling point for your houses. Plus this community, if you see all that housing up Ka'imini, that's the largest residential area in Kona, and there are no district parks in that area. So it's definitely needed. And I think, my, I'm asking you, would you

reconsider since you're going to delay, or likely you're going to delay, the building of the residential, to keep the original agreement rather than delay it to the 101st.

HARRIS: The original, the current condition is complete it with occupancy of the first dwelling? Is that the language?

HOUSEL: Yes.

HARRIS: That's the language.

HOUSEL: Right.

HARRIS: We couldn't agree more that the park is an amenity for our community and it will help us. It's just cash flow management basically -.

HOUSEL: Sure.

HARRIS: If we can slide it a couple of years -.

HOUSEL: No, I understand. But looking down the road, if the light we're seeing at the end of the tunnel is getting brighter over the next year, I think it may be appropriate to have the park there.

HARRIS: We'll think about it.

HOUSEL: Okay.

HARRIS: I can't promise it.

HOUSEL: Okay. I appreciate it if you consider that.

HARRIS: Okay.

HOUSEL: Thank you.

WATANABE: Okay. Do we have any further questions of the applicants? Yes, Mr. Housel.

HOUSEL: I had one other thing that I wanted to ask him about. During last meeting we just received the traffic impact study -.

HARRIS: Yes.

HOUSEL: And so we really didn't have any time to review it then. And I've looked at it since, and I have a lot of concern about the traffic impact only having the Kamanu and the lower part of University Drive available for traffic for a considerable amount of time, okay? As you are aware, Ka'imani, although it's a collector, is not a very safe road; there are several portions of it that are in excess of ten degrees grade. And with adding a lot more traffic to it, you

know – let’s say, one of your conditions here is on the Road 1, which will eventually connect to Māmalahoa, and of course, we can’t, you know, we’ve agreed not to go through Makalei – putting an excessive amount of traffic on Ka‘iminani is going to, I believe, create safety problems. And so one thing I would, I would like to suggest -. No one knows for sure how long it’s going to take the County to get the right-of-way to build the Road 1, okay, but if we take that time and add six years to it, that’s long time. And especially we are optimistic that the university is going to get started and additional buildings are going to go in there, you’re going to build the hotel and other buildings, commercial, retail; that’s going to generate quite a bit of traffic in five years. And so I would like to, I would strongly recommend reducing the six-year allowance after the County gets the right-of-way to three years to get that done sooner because I think it’s going to be needed.

HARRIS: That’s how we got in trouble this time, you know, we got it too tight. So I’d have to say, you know, we can’t respectfully, you know, agree to that right here. I hear what you are saying. I mean the main benefit of the new road is clearly to relieve Ka‘iminani, which is a less than wonderful situation.

HOUSEL: Right.

HARRIS: I just, I just don’t think we can agree to -.

WATANABE: May I chime in -?

HARRIS: Reduce that to three. But go ahead.

WATANABE: May I chime in? And this is not so much to suggest any revisions to the hard work all of you have put into the conditions as revised, yeah, but is it fair to assume that you have an intent to put that road in, the connector road, which previously was called Road 4 and now is called Road 1, sooner than later, because as I recall the conditions you had asked for tied it in to the 600th lot? And I’m not suggesting we go back to that because, you know, nobody knows when the right-of-ways can be attained. But by that statement, is it fair to conclude that your intention is to put it in sooner than later?

HARRIS: I think -.

WATANABE: Providing sufficient cash flow obviously.

HARRIS: I think we are comfortable with the six years. I think it, you know, it benefits us, too, just like the park. I mean it will make our place work better, it’ll make the market work better, the university will work better. It’s a real regional benefit, and we’d love to, you know, accelerate it to get going -.

WATANABE: Yeah, I’m not asking you to commit to anything earlier, though.

HARRIS: I don’t think I can.

WATANABE: Yeah, okay. Do we have any further questions? This is with regard to everything then, yeah? Okay, so then I believe, thank you for your responses, and I believe we can enter into deliberations.

OKAMOTO: Mr. Chairman -.

WATANABE: Oh, I'm sorry.

OKAMOTO: Just to make sure, we have reviewed, as Mr. Hayashi indicated, we have reviewed the Planning Director's revised conditions of approval dated July 21, 2009, and they do contain what we were able to work out with the Planning Department and with the Department of Public Works. I just wanted to make sure that was on the record.

WATANABE: Yes, yes. I appreciate that. I also appreciate your willingness to continue to this hearing, so that we could get all the proper input, yeah? And let's try and see if we can deliberate and come to a conclusion now. Thank you. You may be seated. With that, there're two agenda items here, right? And the first agenda item I haven't heard as much objection to right now. So let's take Agenda Item No. 3 because we did agree that we would take these separately, yeah? And that would be Palamanui Global Holdings LLC, request for change of zone, REZ 09-94, and this is in regards to the 29.9 acres that would be rezoned from - I forget what it was - Project District, yeah, PD to MCX, yeah? Do we need any further discussion on this, or is someone willing to make a motion? And this would be as a recommendation to the County Council, yeah, because it is a change of zone so we don't have final authority in this. Is there anyone -? Mr. Housel.

HOUSEL: Yeah, I'd like to make a motion on REZ 09-94 that the Commission approve and give a positive recommendation for the change of zone from Project District to Industrial-Commercial Mixed for the 29.92 acres in the business park.

WATANABE: Thank you. Do I have a second?

BOWMAN: Second.

WATANABE: Okay. So we have a motion to send a favorable recommendation to County Council for the zoning, change of zone to MCX. Any discussion, further discussion on this? Maija?

COTTLE: Thank you. Commissioner Housel?

HOUSEL: Aye.

COTTLE: Commissioner Bowman?

BOWMAN: Aye.

COTTLE: Commissioner Beaudet?

BEAUDET: Aye.

COTTLE: Commissioner Giffin?

GIFFIN: Aye.

COTTLE: Commissioner Iokepa?

IOKEPA: Aye.

COTTLE: And Mr. Chairman?

WATANABE: Aye.

COTTLE: The motion passes, six-zero.

WATANABE: Okay, thank you. Half-way there. Let's see. Now let's discuss Agenda Item No. 4. This would be Palamanui Global Holdings LLC, change of zone application, REZ 05-10. These are the, most of the discussion has been over the timing. And I know we've heard from Mr. Housel as far as his concern regarding the park, the timing of the park, and also regarding the timing of completion of Roadway 1, the connector road to Highway 190. And rather than simply ask for a motion at this point, maybe, are there any other Commissioners who have similar concerns or would like to chime in on this? If you don't see any problem with it -. Let's, let's, since those seem to be the points of contention, can we open up the discussion that way and see if anyone else has similar concerns?

BOWMAN: I have a question just -.

WATANABE: Yes, Ms. Bowman.

BOWMAN: In regards to the traffic. Is, our traffic study person isn't here, are they, to help -?

WATANABE: No, I don't believe they are.

BOWMAN: Okay. Because it appears as best as I can see, with the future mauka project access road and then without the future mauka project access road, and I believe, as far as I can see looking at this, that the traffic impact is not as severe. I mean, if staff or anyone can enlighten us on this, or if you could, Warren?

LEE: Yeah, let me try and answer that.

WATANABE: Yeah, thank you.

BOWMAN: Thank you.

LEE: With the supplemental TIAR that was submitted by Palamanui and the original TIAR that was submitted with and without the road, we've got to say that the area that we are concerned about at DPW is the mauka-makai access, and certainly Ka'imini was not

designed as a major or even a minor collector road. But the traffic analysis in this case indicates that this whole area or region needs an improved, what we call, north-south collector road. And that is starting as we speak; it's in a planning stage and hopefully we'll be able to get into construction next year with the start of the construction of the Ane Keohokalole Road, which is the mid-level road. So mid-level road continues, starts at actually Henry and Palani, goes to Kealakehe Parkway at the new civic center coming up, and then goes to Hina Lani; that is what the \$35,000,000 stimulus project is. Now, in getting, qualifying for the stimulus project, there is also, we are also, the County of Hawai'i is also on what's called the STIPLUS, State Transportation Improvement Program, for a major, for this collector road to be approved for federal funding all the way to Ka'iminani. So it's just a matter of the portion between Hina Lani and Ka'iminani getting the property rights and doing the design and also, of course, getting the funding. So this whole system is in design and that ties into what we call now Road 4 (sic) or used to call Road 1 (sic). So also, some of the background is that that's why this revised agreement, amendment is that we've asked for 120-foot right-of-way through the State property so that eventually this mid-level road could continue all the way to Waikoloa or to Paniolo Drive. And then you would have this spur going up through the private property up to Highway 190. So that is the total plan. And until that mid-level road is built, the traffic would not be, from the engineering studies, adequately addressed. So we're going to have to live with this a little while, and that's what the numbers show. It's going to be an improvement, but it's a matter of time and when, not the matter of if but when, when it gets done, and I think, yes, it is a situation where the traffic will be improved. We're going to add some additional traffic with the university; but with the Queen K access and the Ka'iminani access at this time, that will certainly be a reliever.

And part of the Kona Community Development Plan is also the Kamanu Street extension. So the Kamanu Street extension runs right into Road 2 there, and so that'll give you a minor collector road parallel to Queen K and also parallel to the mid-level road, or Ane Keohokalole. So eventually over time the traffic will be relieved. And hopefully by that time the State of Hawai'i Department of Transportation will have the expansion of the Queen K from the police station in Kealakehe built all the way to Keāhole Airport. So that's the long-range plan addressing the traffic issues.

BOWMAN: Thank you. Because my main concern is, like this Roadway 4, improving the access on Māmalahoa, that to me is still a very dangerous substandard road, isn't, you know, going to be the panacea that will answer all the questions. And I really appreciate your verifying what's being done especially in the traffic in that area. So thank you.

WATANABE: Mr. House.

HOUSEL: Yeah, I had a question for Mr. Lee. For the County to gain right-of-way for Road 1 across the private land, what needs to be done and who does it?

LEE: Road 1, you mean Road 4, yeah?

HOUSEL: Right.

LEE: Yeah, so the way the amended ordinance, amended agreement is written is that we will work with the developer as necessary to get the right-of-ways. So when you,

obviously when you go through State land, there may come a point where the County may have to get involved and say, for example, could we transfer this land as an executive order versus an easement or somehow. But also working with the private landowners, that would probably have to be an acquisition or if, I'll leave that to the Planning Department or the Planning Commission, if they do come in for development, and that could be a condition of their contribution either in the present or the future tense. I mean I believe there're several ways to work this.

HOUSEL: Right. Is the, if the developer or the owner of the private land does not choose to develop it at this stage, would the Department of Public Works seek the right-of-way?

LEE: I see Ms. Leithead-Todd has grabbed her microphone, so I will defer that to her first. There is a recent court case that I think she is sensitive to in the parts of Kona.

LEITHEAD TODD: The way the ordinance is written, both the ordinance as approved in 2006 and the proposed amendment here, it envisions that if the developer is unable to work out an agreement with the private property owner, that the County would go and get the rights-of-way, and that would probably entail eminent domain, if we weren't able to reach an agreement. The concern over the Hōkūli'a case was really over a development agreement, which is a contractual obligation, and the concern was that the contractual obligation in some way bound future County Councils and control their action. However, this is an ordinance, which is fully within the control of any future County Council to amend, as oppose to a development agreement, which is a contractual obligation that the Council could not unilaterally amend. And so I don't see the same, quite the same issues being raised as Hōkūli'a because it's an ordinance and any future County Council can always amend an ordinance subject to public input. But given the fact that this is on the Kona CDP, given the fact that it's on the General Plan and that for many, I think, you know, the entire process over the last few years has identified this as a road, I don't see that a future County Council would not want to pursue the eminent domain. I think the real issue is going to be financing more than anything else because when you pursue the eminent domain, you have to basically show that you have put money into your CIP budget in order to purchase the property. So it would require that prior to going for the eminent domain the County Council would need to amend the CIP budget and identify money for the project. But that's fully within their power to do.

HOUSEL: I see. Right. If they did do that, roughly how long does an eminent domain case take?

LEITHEAD TODD: Sometimes that's up to the judge. You know, in theory most of our eminent domain cases sometimes they're amiable, sometimes you do eminent domain because for tax purposes it works out better for property owner, sometimes because you have multiple owners. But normally it doesn't, you know, take that long once you initiated to acquire the property, and usually you get a right of entry even before you've actually physically paid for the property. The only reason that we ran into difficulties on Hōkūli'a is because the court basically put a halt to future proceedings and an acquisition, and didn't even give us a right of entry to build, to have the road built until all of that got settled through the court case. I don't know that that would occur again, but if you had an unwilling seller, in other words the private property owner, then in theory it could take us a while to go through court. But those are things that are beyond the County's control and would be up to the court. What we would do is if we initiated

eminent domain and we already knew where the alignment was and it's really just an issue of paying the value, we would ask for a right of entry so we could go in and do the work.

HOUSEL: I think I read in the at least original documentation that Palamanui has agreed to continue to do the research for the location of that road, is that correct?

LEITHEAD TODD: Yes. Yes, they have. And they've working on that and they've been working on all the studies that are related to doing that.

HOUSEL: Okay. Are they responsible for also doing the engineering part of it?

LEITHEAD TODD: Yes.

HOUSEL: Okay. And so essentially down the road – no pun – that should be ready by the time, you know, if you have to go through an eminent domain case, the design should be ready, is that correct?

LEITHEAD TODD: In theory it should be. The only problem would be is if, that I can envision, is if the alignment that we wanted ran into unexpected burial site, you know, there're just, you know, like if nothing goes wrong, then in theory we are ready to go, we've got the design, we can go. It's just been my experience with roads in Kona that you don't want to promise 100 percent that you can do it because we've run into archaeology, we've run into burials, we've run into issues that we hadn't anticipated in them. But the theory is is that absent archaeology/cultural issues that we have the alignment, the engineering will have been planned, and then once we get the rights-of-way, then they should be able to proceed with construction.

HOUSEL: Do you still believe they need six years beyond the acquisition to complete the road?

LEITHEAD TODD: I still think that it's better to plan that outside window than to try and do a shorter winder. I'm just looking at, you know, how long it takes us to build a road. And you know, assuming you have everything lined up from the day you start planning, I don't know that we could deliver it within three years if we were doing a major road.

WATANABE: Mr. Lee?

LEITHEAD TODD: I mean, you know, to finish construction.

LEE: Or you get a good contractor, you can do anything. And I think what the language says is that from the time that you achieve, you get all your right-of-ways, within, within six years. So I think anyone that's working, what we would, what I believe is going to happen is that once we get all the right-of-ways or the right of entry, that once you issue the contract, you would probably, the contractor would probably want to keep on working rather than stretching that work out, especially knowing that this is a high profile project that will serve the community to its, the best extent and help everyone out, and I know Palamanui is really, you know, going to give back to the community as they've done with the college. So reasonably you could say that this would probably be a, maybe a 24-month project from the time that you start and start to mobilize, assuming that all the permits are in place.

HOUSEL: Right.

LEE: But I think having it within six years, you know, that is language that we are comfortable with.

HOUSEL: Okay. Well, my, as you heard, my concern is the traffic that's going to be generated once everything gets built there and the need for that road to, you know, carry some of that traffic. And my suggestion is to try to pick a reasonable time to get that road done – it seems like to me that six years is a bit long – but allow an extension, if something comes up that couldn't, is totally out of their control, would that be reasonable?

LEE: I'm not sure. Now you are binding future Planning Commissions to an extension. But I'll leave that to Bobby Jean as far as the extension process.

WATANABE: Well, let me ask this. I started out this discussion that way. And maybe we can have, hear from the other Commissioners, if they have similar concerns; not to drown out Mr. Housel's concern here, but I think it will help us to see if there are other people in the Commission that have like concerns. Mr. Beaudet?

BEAUDET: I think, I did have a couple of questions, but I think through the back-and-forth between Mr. Lee and Mr. Housel those question have been answered, well, primarily the relationship between the timing of the build-out or the time commitment for Road 1 and its impact on the traffic study that was given to us at the last meeting. So I think Warren kind of painted that picture a little bit clear for me just to see the impacts we're going to see on Ka'ahumanu and Ka'iminani where my primary concern is with an extension of time or deferral of time commitment on the construction of that road.

WATANABE: Given the way the proposed condition is worded now with providing the developer six years, do you have concerns over that?

BEAUDET: I would prefer to stay at a date instead of shorten the period of time with an option to extend. Usually when you give those options to extend, like Warren said, you are obligating future Commissions, plus you are for the most part, you're giving the opportunity for some lag at the front-end of the design -.

WATANABE: Okay, so is it safe to say you are comfortable with the condition as it's worded?

BEAUDET: Yes.

WATANABE: Oh, okay, great. Mr. Iokepa?

IOKEPA: You know, the Ka'iminani connector is always busy and, you know, with this additional traffic we see there, I'm somewhat in agreement with Mr. Housel that, you know, we are going to see additional traffic on there. However, what Mr. Lee has stated as far as Ane Keohokalole Highway that's coming through, that will relieve a lot of that, the traffic, because

we are looking long-term for a north-south connector road rather than a mauka-makai, so -. Although I somewhat agree with Mr. Housel, but I'm okay with what's presented.

WATANABE: Okay, thank you. Ms. Bowman?

BOWMAN: I just, I think, feel the same; I feel better with the mid road projects going on. I just have one question, and I'm sorry, my short-term memory. Mr. Lee, when you were talking about eventually, potentially the road might extend as far as Paniolo Drive? I mean that's like 30 years down the road or -? Going to Waikoloa, the mid road.

LEE: Yes. Right now, let's say for the mid-level road, it is at the State level identified, and in the Kona Development Plan, identified from Henry-Palani to Ka'imini.

BOWMAN: Right.

LEE: Okay. So eventually what, we need to now get it on the map into this, into what we call a STIP, on the STIP list, and the long-term plan is to get it from Ka'imini to Waikoloa.

BOWMAN: To Waikoloa. And my other question because I don't live up there, I understand Mr. Housel's, you know, concern with the amount of residential units up there that potentially could use, say, the road, and the university. And I'm just wondering, I mean, when I look at the mauka section, and I guess maybe people would be more willing to go towards Waimea and go down that road to get to Palamanui rather than unfortunately going down the access that's already down there, down Palisades.

LEE: Yeah, I think once the Road 4, or Road 1, gets built, for those that are coming from the Waimea area would probably take that road to get to their, probably their destination is the airport.

BOWMAN: Okay. I thought I heard my concern was that, or there was a concern that there's so much congestion and so dense residential mauka that they would be using the Road 1.

LEE: I think there is congestion mauka, and that's what this Road 1, or Road 4, will alleviate. So right now in the intermediate solution, which part of it has been already implemented to improve the intersection at Māmalahoa and Ka'imini. That was several years ago with the dedicated right-turn lane from Ka'imini onto Māmalahoa, so that you wouldn't pack up downhill on Ka'imini. So the next phase of that improvement for the County would be to perhaps add a signal at that intersection.

BOWMAN: Okay. And just, what I'm hearing is that most of the traffic that will go down Road 1 would be from people from Waimea, Waikoloa, say, mauka that would want to get to the airport quicker.

LEE: That's my understanding.

BOWMAN: Okay, thank you.

WATANABE: Okay. Ms. Giffin?

GIFFIN: Yes?

WATANABE: Your opinion?

GIFFIN: Yes. You know, Mr. Chairman, I'm looking at this whole project, I think, from a different light. I see this project as a golden opportunity. We've always spoken about how our county doesn't have any money to do the kinds of things that are always on our dream list. One of the biggest dreams has been to expand our educational facilities on our side of the island. Here we have various sources of money that we are so lacking, to come together and to fulfill part of this. And so people that spoke today about education and education for the kids on our side of the island, they spoke to me. I've raised kids on this side of the island, and like some of the people that testified we've spent a fortune to send our kids away because of the lack of opportunity. And so I understand we have issues. All projects have issues. That's been my experience on this Commission. But I look at this as an opportunity, and I'm going to vote positively for this.

WATANABE: Okay, thank you. So with that, Mr. Housel, I don't know actually if you want to restate your concern or if you are satisfied that maybe the votes aren't there to -.

HOUSEL: Well, overall, I mean I'm all for this college and the development there. I think Palamanui has done a tremendous job to plan this to work this out, working closely with the University. I think that speaks very highly of what you are doing. There are always going to be kind of mid-course tweaks that happen. And possibly as we get through this economic downturn, maybe that park could happen sooner, okay? I would surely like to see that. And possibly if we get something worked out on the Road 1 with the private owner, maybe that'll happen sooner than we think. I'd surely like to see that. So I think in my opinion by far the benefits outweigh the drawbacks. So I'm definitely going to support this.

WATANABE: Okay, thank you. Well, do we need any further discussion on this? Doesn't look like it.

GIFFIN: No, but Mr. Chairman, I think that, and I would like to -.

WATANABE: Make a motion?

GIFFIN: Make a motion, but I'm going to need help. Then we always turn to our legal counsel for wording. So, Brandon, with your help, help me with the wording for a motion.

WATANABE: It would be, yeah, forward a favorable -.

(Commissioner Giffin had brief discussion with Mr. Gonzalez.)

GIFFIN: I move that we have a favorable, a favorable recommendation – because this goes to the Council, right, cause it's an ordinance -.

WATANABE: Right.

GIFFIN: Okay. On the Palamanui Global Holdings LLC, the rezoning of 05-10 to, based on the Planning Director's recommendations and proposed conditions.

WATANABE: Okay, very good.

LEITHEAD TODD: Could I make a clarification -?

GIFFIN: Yes.

LEITHEAD TODD: That it would be the proposed recommendations of July 21, 2009?

GIFFIN: Revised. Yeah, yeah, yeah. Okay, so be it.

WATANABE: Okay, very good, very good. Mr. Housel.

HOUSEL: I'll second that.

WATANABE: Okay, very good. Any further discussion? Doesn't look like it. Maija?

COTTLE: Thank you, Mr. Chairman. Commissioner Giffin?

GIFFIN: Aye.

COTTLE: Commissioner Housel?

HOUSEL: Aye.

COTTLE: Commissioner Beaudet?

BEAUDET: Aye.

COTTLE: Commissioner Bowman?

BOWMAN: Aye.

COTTLE: Commissioner Iokepa?

IOKEPA: Aye.

COTTLE: And Mr. Chairman?

WATANABE: Aye.

COTTLE: Okay, motion passes, six-zero.

WATANABE: Okay. Well, you've got everything you need – from us, anyway. Good luck with the Council.

APPLICANTS: Thank you very much.

WATANABE: And thank you for continuing to believe in this community.

The discussion ended at 2:45 p.m.

Respectfully submitted,

Noriko Sauer, Secretary
Leeward Planning Commission