

WINDWARD PLANNING COMMISSION
COUNTY OF HAWAI'I

HEARING TRANSCRIPT
JUNE 5, 2009

A regularly advertised hearing on the application of **DON HOOTA & ERIC HOOTA (REZ 09-93)** was called to order at 9:05 a.m. in the Aupuni Center Conference Room, 101 Pauahi Street, Hilo, Hawai'i with Chairman Rell Woodward presiding.

PRESENT: Rell Woodward
Takashi Domingo
Wallace Ishibashi
Andrew Iwashita
Zendo Kern
Shelly Ogata

Brandon Gonzalez, Deputy Corporation Counsel
BJ Leithead Todd, Planning Director
Phyllis Fujimoto, Staff Planner
Jeff Darrow, Staff Planner
Maija Cottle, Staff Planner

And approximately 13 people from the public in attendance

APPLICANTS: DON HOOTA & ERIC HOOTA (REZ 09-93)

Change of Zone from Single-Family Residential - 10,000 square feet (RS-10) to Industrial - Commercial Mixed - 20,000 square feet (MCX-20) district for 22,900 square feet of land. The property is located at the northeast corner of Laukapu Street and Hualani Street, Waiakea House Lots, Waiakea, South Hilo, Hawaii, TMK: 2-2-35:17.

WOODWARD: We'll start with Agenda Item No. 1, Applicants Don Hoota and Eric Hoota, REZ 09-93, Change of Zone from Single-Family Residential - 10,000 square feet (RS-10) to Industrial - Commercial Mixed - 20,000 square feet (MCX-20) district for 22,900 square feet of land. Maija.

COTTLE: The first item is a change of zone request. The applicants, Don and Eric Hoota, are requesting to change the zoning on their property from Single-Family Residential - 10,000 square feet to Industrial - Commercial Mixed - 20,000 square feet.

And if I can just direct your attention up to the screen. The property is located in the Waiakea House Lots in the Hilo, South Hilo district. It's shown on this map outlined in red; and it's located in the northeast corner of Hualani Street which runs in an east-west direction and Laukapu Street which runs here in a north-south direction. The property is currently zoned Single-Family Residential. All of the properties surrounding shown here in yellow are also zoned Single Family Residential. There are some Industrially zoned properties behind the subject property. They're shown in gray. And there are Industrial/Commercial mixed zoned

properties along the highway; and those are shown in purple here on this slide. There were also two recent change of zone requests that the Planning Commission had reviewed and recommended a favorable recommendation on. Those are the Nishijima rezone which is located on Kekuaaoa and Laukapu Streets where the red dot is here, that was recently requested a rezone for Industrial/Commercial Mixed - 20,000 square feet; and then the Acasio rezone was also recently reviewed by the Planning Commission, and that was located about four lots south of the subject property, they also requested MCX zoning.

The General Plan LUPAG designation for the property is Industrial. And all of the areas shown here in gray are General Plan designation Industrial. There is an area of High Density designation. This is where Big Island Candies is located, shown in red. And then the orange areas are Medium Density Urban.

The applicant's preliminary plans are to demolish the existing dwelling on the property and construct an approximately 5,000-square foot building that will be used for warehouse and retail space.

This is a preliminary site plan submitted by the applicant. It shows the property along Hualani Street and Laukapu. There are two accesses proposed. One is in the northwest corner of the property on Laukapu Street; and then the other is in the far right corner of the property on Hualani Street. And then you can see the 5,000-square foot building shown in the middle of the property along with the parking.

The Planning Department is recommending that a favorable recommendation be sent to the County Council for this change of zone request. Are there any questions?

WOODWARD: Any questions for Maija? Okay, seeing none, if we could call up the applicant and/or his representatives. Morning, Mr. Nishimura.

NISHIMURA: Good morning.

WOODWARD: You know the routine, I'm sure.

NISHIMURA: Yes.

WOODWARD: Do you swear or affirm to tell the truth today before the Hawaii Windward Planning Commission?

NISHIMURA: Yes, I do.

WOODWARD: And if you can give us your name and address, and then begin your testimony.

NISHIMURA: Brian Nishimura, 1174 Awiki Place, Hilo, Hawaii. The applicants have reviewed the proposed recommendation submitted by the Planning Department and has, will be able to comply with the conditions as proposed. Basically we don't have anything more to add to the background report that was prepared by the staff. We're open to any questions that you may have regarding the subject application. So I'll leave it at that.

WOODWARD: All right, thank you. Do we have any questions for Mr. Nishimura? And I assume that when you said that you would meet all the requirements that we're talking about, it's the road improvements, and the fire, and water supply regarding Fire Department, the solid waste management plan, etc.?

NISHIMURA: That's correct.

WOODWARD: Okay. And you're in agreement with all of those, correct?

NISHIMURA: Yes.

WOODWARD: Okay. All right. Any further questions? Commissioner Domingo, no?

DOMINGO: No.

WOODWARD: Okay. For the record we have nobody from the public signed up to testify. So I would be willing to entertain a motion if somebody would like to make one. Commissioner Domingo.

DOMINGO: Thank you, Mr. Chairman. Regarding the applicants Don Hoota and Eric Hoota, Rezoning Application 09-93, I move that we send a favorable recommendation to the County Council for approval.

OGATA: Second.

WOODWARD: All right, it has been moved and second. Discussion. Commissioner Iwashita, I knew you were waiting for this one.

IWASHITA: Thank you, Mr. Chair. Just, I guess, procedural matter, does Mr. Nishimura need to be seated here while we consider -?

WOODWARD: Oh, yes. Thank you for your testimony. You may be seated.

IWASHITA: Thank you, again, Mr. Chair. I'd like to thank the staff for their continued fine work in making these background reports and recommendations.

For the record, you know, I want to make it clear that for like these applicants, the Hootas, Don and Eric, that, you know, their endeavor is to provide development and additional infrastructure, commercial/industrial, as in this case. You know, we obviously need that in the long run. I need to make my record. And I have, I want to make it clear that, you know, I really support the development and the progress of our community in that regard. I need to make, as I have in past applications in the House Lots area, a record of my opposition to the manner in which we're doing this in this part of our community.

If you look at what's up there on the location map with zoning, the, as the reports indicate, the General Plan and the LUPAGs indicate that from Kanoelehua all the way back to this property, Laukapu, it's on the boundary line of what's designated for Industrial use. As in our last

meeting, I'll repeat again, that in my mind that is not, you know, given our current circumstances on how we, I think how we wish most of, you know, my sense in the community is most of us wish to have a sustainable development, to have developments such as they have on Oahu, in Honolulu around the airport, in Kahului around the airport. Those kinds of developments really are not sustainable developments in terms of the community in the long run because they essentially require motor vehicles to accomplish whatever is needed. Any employees, any suppliers, any purchasers, all of that would have to, you know, require additional load infrastructure and so forth in order to support that. And that, as we have seen on Oahu which has had a general plan for all of its developments, which has had LUPAGs for all of its developments, basically ends up with what they got. Everything there is planned and approved, and they don't have a sustainable environment or community. They have congestion, they have all of that. And we're not doing anything different from what Oahu is doing. And it's hard for us to, it was hard for me up until maybe about 15 years ago to see what was going on. But all we've really got to do is pay the \$100 or \$200 now to fly to Honolulu to see what our community is going to look like when there is half a million people here. You know, that's basically what it's going to be.

I think that as a public body that's responsible for looking at these bigger issues that we need to look at that, and not look at just each individual application as we do now and say, well, this one is okay because we don't really see any significant impact from this one. All you've got to do is look at all of the rest of the yellow that's up on that chart, that map, and watch it turn gray, or just imagine it's all gray, it's all Industrial, and what that is going to look like. It's going to look like Nimitz Highway next to the airport in Honolulu, which is not sustainable. I think we all agree, we all have to agree it's not a sustainable kind of development. So when the report, the background report talks about the General Plan's intentions and sets forth all of the nice things that we want the General Plan to do, that is to designate and preserve lands needed for residential use, commercial, visitor services, industry, agriculture and open space, reciting the words is not going to make it come true. We have to act in a way and have a clear picture of where in this case House Lots is going to be.

We all know that we have a tremendous homeless and housing shortage, affordable housing shortage, here on this island. Why are we not looking at House Lots as part of the solution instead of more and more we take what's already zoned Residential land in Medium Density Urban designation -? It can be used to increase the density of residential use in that area in town where we really need it. Why are we not looking at that? Every application that we've seen in the last six months in the House Lots area has been to take residentially zoned land out of residential use. All that does is compound the problem, pretty obvious. To me all that does is compound the housing shortage problem. So that is my concern.

Again, as I stated at the beginning I do understand, I do believe, and I do support the development of commercial industrial uses. We do need that, although right at this time, I think, you know, there's a sort of higher vacancy rate and the applicants are looking forward, I think, legitimately, right, to future needs, which is we all have to do. But in the House Lots area, I think we need to look at and consider that we are taking residential property out of residential use and what we really should be looking at is a bigger picture. And the Hilo Community Development Plan which was given two sentences of reference on page 2 of the recommendation designates this area as Residential. There have been General Plan Amendments since then but there has not been an amendment to the Hilo Community Development Plan. My preference, as

all other Commission Members know, is that there should be a process to review and revise the Hilo Community Development Plan. You've got to use that as a vehicle to get a clearer picture, a much clearer picture, of what's to happen in House Lots and this area, and the rest of Hilo, so that we as a Commission and the Council can have a clearer, a much clearer picture of where we're going to be in 30, 40, 50 years. We won't know that if we keep doing things the way we do things now, and that is each application one at a time, say that each one complies with the General Plan. There can be no argument that each one complies with the General Plan. The General Plan is broad enough to say that whatever you want to do with your property is going to comply with the General Plan. It will serve one purpose or another. It's, you know -.

I think from the big picture, again, if, we look at it and say do we want our island in 50 years or 60 years to look like Oahu? If the answer is yes, we just keep doing it the way we're doing it. We'll get there, guaranteed. Absolutely guaranteed we'll get there. If we want something different from Oahu, then we cannot keep saying all the same things we say about the General Plan and LUPAGs and all of that. Because that's, if you look at the record in the Honolulu Planning Commission and the Honolulu County Council, approval of all of the developments that they have done, all of it is justified under the General Plan, under the LUPAGs; and we can do it that way.

My hope is that at some point we stop doing it that way, at least pause. We should really pause and see how we can do it better, how we can do it different. Because if we don't do it different, we're going to get that. Just get on the plane, go over there and look around. And when I have grandchildren, hopefully in 50 years they won't see that. But if we don't do things different that's what they'll see. Thank you, Mr. Chair.

WOODWARD: Thank you, Commissioner Iwashita. Any further discussion? All right. I'd just like to make a point or two; and we've discussed this before. I agree with you from the standpoint of there ought to be community development plans involved in what we do. Unfortunately the last community development plan for Hilo is 1975. That's the one that you mentioned; and that's really very dated information. And Hilo definitely needs a community development plan. Unfortunately even if it were to start today it wouldn't be completed for three or four years. So it's not the ideal situation.

We're in a situation here where if you look at an aerial map of this area it has largely gone the way of Light Industrial use, despite what was requested in the Community Development Plan in 1975.

Okay, if there are no further comments, Maija, if you'll take the vote.

COTTLE: Thank you.

IWASHITA: Mr. Chair, can I -?

WOODWARD: Yes, Commissioner Iwashita.

IWASHITA: Yeah, just to address the point you raised about what has happened there. It's really interesting cause in House Lots when the Medium Density Urban designation was first done many years ago and you got the apartment buildings and the commercial developments

around Edith Kanakaole Tennis Stadium and all of that that you see, the community got up in arms. They actually were effective in going to the Council and got the Medium Density Urban designation changed back to Low Density Urban. So for many, many years you never saw any more commercial developments, because it was impossible to do.

In 2005, four years ago, on the General Plan review and amendment, in that process the Director at the time, Mr. Yuen, basically put the change in for Medium Density, changed it from Low Density Urban to Medium Density Urban; and it went through the whole process, and that's how it got approved. So since 2005 we've been getting these applications. Okay? So, you know, it's not an old kind of a thing. It's a very recent development in our seeing these zoning change applications, because up until 2005 you couldn't do it. In 2005 it also was put in the General Plan to have the Community Development Plans done. All right? So that's four years ago, and they haven't been done for Hilo. Puna has done it, Kohala has done it, Kona has done it. They're starting in Kau, hopefully Hamakua in the next fiscal cycle. But we haven't done it for Hilo. And in my mind it's most important to do it for Hilo. This is an Urban area, you know; and this is the Urban area that we have on the island. And I know fiscal constraints are there but we really need to do it.

I don't see a real immediate need to do these changes now. There is a surplus right now of Commercial-Industrial areas. You can look around. We do need to plan other things out. But in my mind if the Community Development Plan is done properly and the community agrees on where the Commercial-Industrial places will be in the Community Development Plan, then when those projects come here for zoning changes if necessary and to the Council, it will be pretty much atiqua because the community has already dealt with it and there will be an agreement. That CDP change is going to be law under the General Plan. It will be law so we would have to follow it.

You know, that's my perspective. To say that there have been a lot of changes down there, yes, there have been changes down there. A lot of it has been recent. The rest of it was done many years go before the change to Low Density Urban. So that is the history. You know, you drive through House Lots now, and actually most of it is still residential, old residential use. And that in my mind needs to be changed. But how it's changed, this process to me is not going to work. So I have to vote against it, just on that basis. Thank you.

WOODWARD: All right. Commissioner Domingo, did you have something to say?

DOMINGO: Thank you. Thank you, Mr. Chairman. I would speak for the motion. And although, I appreciate the comments made by Mr. Iwashita and his planning philosophy, I really admire him for that. But by the same token, as I look at the House Lots and the need for perhaps a Community Development Plan for the entire town of Hilo, you know, I feel that we can do that as the time goes by and the appropriate funding be made available. But in the meantime, we have the General Plan. And I think if there's strong opposition as to what changes we're making in House Lots, there is still a means of putting some restrictions to what's already happening, and that can be done by an individual Councilman perhaps representing that particular area coming up with a General Plan amendment and further make changes to the General Plan. Now, as you all probably know, any development that takes place must coincide with the General Plan. You know, there's no other way that -. You have the LUPAG Map, and you have to meet that allocation guide map to make any developments.

I'm sure, you know, with regards to the concerns that Mr. Iwashita made in regards to we're slowly taking away, we're slowly taking away residential lots from our House Lots, I do realize that. Also, by the same token, we noticed there's a transition taking place wherein we have mixed uses happening down there; and residents who own parcels there sold it and have moved to other parts of the, perhaps in town or other places away from House Lots.

And I think as I look into the future and the possibility of what it may bring with regards to, you know, disasters, and I refer to tidal waves -- in fact, as a matter of fact the very place we sit and further down were once homes, residences also; and, in fact, not far from here to the south there's a memorial, you know, memorializing all those who lost their lives here in Hilo -- and if we, if I was a property owner and if I had the opportunity to move away when there may be a potential disaster happening, I would surely take that opportunity. Now I don't know if those people who own residences there did that because of that. And I'm sure they did that because of some other reasons also and they found that it would be in their best interest to do so. So we're finding a lot of people with that same philosophy. And they're selling perhaps in their retirement years and opting to go to some other place where they may be more comfortable and feel more secure. And in place of that we're having these mixed uses coming into the particular area. And this has been thought of for many years. And, of course, there were changes with regards to the General Plan and now, again, we come back to that instance where the General Plan permits the uses that are being proposed, applied for here in this application. And for that reason I don't think that we're rushing, we're rushing into doing something that shouldn't be. And I don't want people to think that this Commission is doing that for the sake of doing it. Most of us believe that what was happening is a positive one and a logical approach to the future for those who own, who own parcels there. So I will vote for, I am in favor of the motion. I will vote for it. Thank you, Mr. Chairman.

WOODWARD: Thank you, Commissioner Domingo. The Planning Director would like to make a comment or two.

LEITHEAD TODD: This is in reference to CDPs, and partially this is for the Commission's information, as well as the public that's here. Each of the CDPs that the County has undertaken have cost the County anywhere from half a million to one million dollars a piece to undertake and adopt. And that's because when you, the most recent ones that we've been putting money into, we've put in about \$411,000; but that is not the total cost because there are additional monies that we have to set aside for staffing. Given the current economy, it is unlikely that a CDP for Hilo will be funded within the next two years. Next year's fiscal budget has money for Hamakua. We're expecting an economic downturn that will impact our budget even more. So it's unlikely that it will be funded within the next two years.

Part of what you're seeing in the House Lots area is there's an on-going demand for commercial and industrial fee simple ownership. Most of the industrial lands in Hilo are either owned by the State of Hawaii or owned by Department of Hawaiian Home Lands. And what happens is whenever they're up for lease renegotiations the businesses face, in some cases -- the last time I went through DHHL, they faced a five-fold increase in their lease rent; and it forced many businesses out of business or forced them to relocate. And so that's what you're seeing, is some pent-up demand for fee simple property. And I assume that we will eventually get to a CDP for Hilo, but that is many years off. During the last round of the General Plan there was opportunity

for people in Hilo to comment on it. And on each one of these rezoning applications the communities are notified and they are also given opportunities to comment on them. Thank you.

WOODWARD: All right. Yes, sir. Commissioner Iwashita, if we could -.

IWASHITA: Thank you, Mr. Chair. I would just -.

WOODWARD: Make it fairly brief, please.

IWASHITA: Yes. I'd just like to address couple of points raised.

There is, I've been on the Commission like four years now. And, you know, there is this, well, let me back up, definitions. What we do is we grant entitlements. Okay? That's what we do. When we grant a zoning change, that's known as an entitlement. And it's known as an entitlement because once it's granted you can't take it back. If you want it back you've got to pay for it. The County will have to pay to get it back, you know, somehow. Right? And entitlement means that once this is granted, if the Council grants this, cause we don't have the final say, if the Council grants this, then the owners, the Hootas, will have increased the value of their property because now it can be used for Industrial purpose, which is a good thing. It's a good thing. Okay? And from a private developer's perspective, obviously, it's a good thing. From the community's standpoint, again, as a Commission and the Council later when it considers this application, to me, the perspective has to be beyond the immediate and obvious positive affect it has for the owner. We have to look at it from the bigger picture. And the Director is correct in pointing out that when you look at the Industrial areas, you know, that we have right now next to House Lots, it's Hawaiian Home Lands and it's State of Hawaii lands, and you have the issues about the rentals. That really needs to be dealt with.

And the cost, well, you know, and it's undeniable what the cost has been to do the CDPs that we have up to this point. You know, maybe we can be creative about how we do the Hilo CDP cause, I mean, the others were made out of whole cloth. There were no CDPs for Kona, Kohala, Puna. Right? Those were started from scratch. We already have something to start with in Hilo. And so, you know, I'm thinking that given the monetary constraints we can do it a different way. But to me the fact that there are these constraints and challenges that we have does not argue in favor of just doing the way we've done things in the past, cause that's the way we've done things in the past. That is the formula for getting to where Honolulu is and where Maui is, cause Maui is the same thing. Kihei is all approved. It's done the way we do these things. Right? It was done one project at a time. And they got Kihei, so, and Kahului, all the Industrial areas around the airport, and Kahului is all the same thing. So the question is do we want that? Is that our enlightened vision for the future of Hilo around the airport and the House Lots area, or do we want something else? If we want something else, that is my point, we need to look at that bigger picture and make decisions on that basis; and that is the basis upon which I am opposing this application. And it's just that, you know, I wish the Hootas the best, I want them to make money. But in this particular situation, you know, I have to look at it that way in terms of my view of the public's best interest. Thank you, Mr. Chair.

WOODWARD: Thank you. Anything further? Seeing nothing further, Maija, if we could have the roll, please.

COTTLE: Thank you. Commissioner Domingo?

DOMINGO: Aye.

COTTLE: Commissioner Ogata?

OGATA: Aye.

COTTLE: Commissioner Ishibashi?

ISHIBASHI: Aye.

COTTLE: Commissioner Iwashita?

IWASHITA: No.

COTTLE: Commissioner Kern?

KERN: Aye.

COTTLE: And Mr. Chairman?

WOODWARD: Aye.

COTTLE: Okay, motion passes, five to one.

WOODWARD: Very good, thank you. Okay, Mr. Nishimura, you'll be notified; and we will send a favorable recommendation to Council.

The discussion ended at 9:40 a.m.

Respectfully submitted,

Sharon M. Nomura, Secretary
Windward Planning Commission