

From: [REDACTED]
Sent: Tuesday, October 29, 2019 9:29 AM
To: General Plan
Cc: Yee, Michael
Subject: General Plan 2040 comments from Ka Makani O Kohala Ohana
Attachments: Mahukona Why the Resort designation.docx

General Plan 2040 comments from Ka Makani O Kohala Ohana Kako'o

Where did the Resort designation at Mahukona come from?

The coastline at Mahukona in North Kohala has been open to all people since the earliest Hawaiian settlement. It is the district's main ocean recreation area. In addition:

- The North Kohala Community Development Plan (NKCDP) calls for County to use the 2% Open Space Fund to purchase the 434-acre swath of undeveloped private land, which spans the shore between Mahukona and Kapa'a County parks.
- The lands at Mahukona have been placed on the County's PONC list for public purchase repeatedly since 2006 and is currently Priority # 4.
- The General Plan 2010 says: "547. Prioritize the rehabilitation and utilization of designated resort areas that are presently serviced by basic facilities and utilities before allowing new resorts in undeveloped coastal areas."

Still, there it is, on the draft General Plan 2040 map, a large pink area of proposed resort zoning from the Akoni Pule Highway almost to the shoreline, much more land than asked for or granted by the failed resort project. Surrounding the resort designation in yellow are hundreds of acres of what is described as "low density urban" – read: large lots, mega-houses for offshore speculators. This is what the County Planning Department is proposing for Mahukona.

How did it get there? Back in the 1960s, when Helene Hale was chairman of the Board of Supervisors and Shunichi Kimura was our first Mayor, the County started to write its first General Plan. At the time the island was almost wholly dependent on agriculture – sugar and cattle. But Kimura, in particular, could see that tourism would play a big part in diversifying the economy. He knew, and the county council agreed, to cluster future resorts in Hilo and along the "Gold Coast," as it was then called, between Kailua-Kona and Kawaihae, even though the Queen Kaahumanu Highway was not open until 1974. Planners and politicians wanted to keep the rest of the island in agriculture, rural and free of outside development pressures. Good idea.

But when US subsidies for sugar growers disappeared, the Honolulu-based sugar companies, looked for ways to diversify their operations. Castle and Cooke, which owned Kohala Sugar Company, lobbied for funds to build Akoni Pule Highway to cut the cost of trucking sugar to Kawaihae Harbor. They also lobbied to have their land at Mahukona designated for a future resort – to sustain their business and provide jobs for displaced sugar workers. That's when "minor resort" designations began to appear on the General Plan in places such as Punalu'u in

Ka'u and Mahukona far from the more suitable resort nodes. General Plans from the 1970s onward showed a future resort area at Mahukona. Keep this reason in mind.

Instead of diversifying, however, Castle and Cooke sold all 18,000 acres of its land to a Japanese hospitality developer, Chalon International. Chalon owner Shoichi Kamon's interest was hotels, not preserving a rural agricultural lifestyle.

Within a year, Chalon's Master Plan for Kohala proposed multiple up-scale developments and golf courses throughout the district. At Mahukona it applied for zoning for a 240-unit hotel with a large tennis facility, and an 18-hole golf course surrounded by 150 one-acre house lots (visualize Mauna Lani). Community opposition to the taking of its favorite recreational area grew fast. Petitions followed. The rezoning was both challenged and supported in open hearings. When the measures passed, a group called Citizens for Protection of the North Kohala Coastline filed two lawsuits challenging the County's misuse of its own planning process. Chalon joined the suits on the County's side, claiming the Citizens group lacked "standing" to contest the decisions. In other words, Citizens, a group that had more than 400 members, almost all from Kohala, had no *personal* stake in the project. Court appeals dragged on for years over the issue of "standing" until in 1999 the Hawaii Supreme Court determined that, yes, the group had standing and environmental review would have to start over again. Except by then, marketing surveys showed little visitor interest in staying at large hotels miles from population and tour centers. The owner, then called Surety Kohala Corporation, hoping to eliminate the need for further environmental review, scaled back plans by removing the golf course.

In 2001 Mike Isaacs of the Kohala Historic and Cultural Preservation Group, which, along with Ka Makani O Kohala Ohana – Kako'o (the successor to the Citizens' group) petitioned the County to place a moratorium on subdivision of Kohala coastal land. That failed. Later the groups joined other groups to call for removal of the Mahukona resort designation during the 2005 General Plan Review. These reviews, which are supposed to take place every ten years, provide the only times the public can propose changes to the plan or the map. That failed too.

After several unsuccessful attempts to secure a developer for the project and running out of time extensions to keep the project afloat, Surety Kohala in 2005 transferred title to its Mahukona land and 6,500 acres of former cane land to Kohala Preserve Conservation Trust (KPCT), still controlled by Kamon. The trust in 2008 proposed a minor hotel of 50 units surrounded by an upscale subdivision, and, in order to preserve its expiring time extension for zoning approval, it constructed a six-unit "interim hotel" (the gray abandoned structures visible today at Mahukona). But the zoning and permits granted by the County all came with conditions for approval that KPCT struggled to meet -- primary among them was providing potable water to the resort development and both Mahukona and Kapa'a Parks. Other conditions included providing public parking and shoreline access, as well as funding significant improvements to Mahukona's access road, a wastewater system, new restrooms and parking at the two parks -- none of which happened.

Unable to finalize the subdivision, KPCT applied to the Planning Department again in 2011 with a new hotel and expanded house lot plan, hoping to get more time extensions. But by then the trust had borrowed heavily. In 2012 KPCT lost the land in foreclosure to a creditor, a Canadian pension fund, which tried to sell the land at auction, but ended up owning Mahukona and the former cane land, something it had not expected. Ka Makani O Kohala Ohana – Kako'o is one of five community groups that are in the process of funding the purchase of private coastal lands to open space. Not long after the foreclosure auction, the groups made contact with Morrison Grove, the Florida-based holding company hired by the Canadians to dispose of the

property, offering to purchase the Mahukona lands for open space. The offer has been repeated and is openly active.

But Morrison Grove is still reviewing private offers, the latest from an international high-end resort developer with whom it approached the County last year. The idea was to determine from Hawaii County what perks, called entitlements, still hang over from the previous re-zoning efforts. In October 2016 the then Planning Director notified the owner that "the zoning is no longer in effect." The land is zoned agriculture. What remains is the Resort and Urban designations, the pink and yellow circles, on the draft General Plan map.

So go back to the reasons the designation was given almost 50 years ago – that was to give new jobs to sugar plantation workers and to keep alive a local company. Both reasons no longer exist. Realistically, a resort on this somewhat isolated, dry and prone-to-wildfires part of the coast is not economically justifiable. The present review of the General Plan is the only opportunity for the public to propose changes to the draft plan, including the map designation at Mahukona, which should be returned to open/agriculture.

There are some who may have different viewpoints on the information presented above. I have been actively involved in Mahukona matters from interviewing Helene Hale and Shunichi Kimura in the 1960s to discussions with Morrison Grove today, along with most of the action between.

I call for the Planning Department to remove the Resort and Low Density Urban designations from the General Plan 2040 map.



Ka Makani O Kohala Ohana – Kako'o

Sent from [Mail](#) for Windows 10

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