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To: [WPCtestimony](#)
Subject: Public Testimony In Opposition to Special Permit Application PL-SPP-2025-000088/AMEND SPP 08-000053
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Written Testimony Opposing PL-SPP-2025-000088/AMEND SPP 08-000053)

Please accept my testimony in regards to this special permit application. Below I have listed the reasons as to why I oppose removal of the sunset clause (AKA condition 2) from this special permit amendment and later discuss some possible changes to this condition moving forward.

Reasons for Opposing the Special Permit:

1.

Property Tax Implications - An often overlooked method of influencing different land uses is the real property tax code. Base yards can be considered either a light or heavy industrial use depending on the type of operation. Because lands are valued for tax purposes based on their highest and best use, properly zoned and developed industrial areas are taxed at a much higher rate compared to agricultural or residential zoning. Also the real property tax burden for the non-Industrial parcels can be further possibly reduced through agricultural dedications and homeowner's exemptions. A comparison of the assessed land values available on the County's real property tax map, shows that similarly sized parcels located in the nearby Shipman Industrial Park pay ~5-6 times more property tax than the Ag.-zoned subject parcel. There are other examples of agricultural parcels in the County hosting industrial uses under Special Permit provisions enjoying even greater tax benefits.

This incentivizes industrial use and other non-farm uses of agricultural lands, reduces the demand for proper industrial zoned lands, and also reduces the County property tax revenue. Thus the special permit represents a gift from the taxpayer to the permit holder.

2.

Impacts to the Surrounding Property Owners - As stated in the permit application, this parcel is unsuited for its agriculturally zoned use. Much of the surrounding area along the Kea'au-Pahoa/Hwy-130 corridor is evolving into a mix of various residential, industrial, and commercial uses along with growing traffic concerns. Since appropriately zoned areas have not yet been identified and developed to support these uses, it is probably best to wait until the general development plan for this area is finalized before removing Condition #2. Otherwise, there is a risk that whatever plan is developed it will not be in alignment with the general plan. This continued uncertainty makes it difficult for the surrounding property owners to decide the best way to develop their properties. Generally, increasing industrial uses would deter nearby properties to be developed for residential uses as well as some commercial uses - potentially reducing the value for these properties.

Although not a concern for the lands surrounding the subject parcel, industrial uses can, in general, impact surrounding productive agricultural parcels with increased non-farm traffic, emissions, noise, and so on. It may also not be aligned with the objectives of HRS 205-6(c)

Condition #2 Discussion

The subject parcel is just one of several parcels in the County hosting various industrial uses on Ag.-zoned lands. Some of these Ag. parcels are located in productive agricultural districts while some are not. Until recently, those operating with a special permit always had the sunset clause (Condition 2). However, new permits no longer appear to require them. Why this change? For example, there is a pending special permit to legitimize a heavy equipment baseyard located in my neighborhood near Papaikou (PL-SPP-2024-000075) that does not contain this condition.

Rather than extending or eliminating Condition 2 and thus kicking this can down the road even further, some alternatives should be considered that at least close the property tax loophole mentioned above and that better aligns with the general and community development plans. For example, why does Condition 2 for the original permit on the subject property contain the clause "...upon new industrial zoned lands becoming available within an approximate four (4)-mile radius from the subject property"? A 4-mile radius is not a very large given the largely rural nature of this Island. Why not have a larger circle by a few miles to include the existing industrial-zoned areas between Hilo and Kea'au? The subject parcel tenant's trucks, ACR water, are already frequently seen across the Island and thus their customers would not appear to be exclusively local to the Puna district. The other obvious but more challenging solution would be to properly zone and develop additional industrial parcels along the Kea'au-Pahoa corridor. NOTE: There is already a MCX-zoned (mixed industrial-commercial) parcel located approximately 4-miles south of the subject parcel near Pahoa.

To summarize, I don't believe industrial uses should be allowed to be continued outside of properly zoned areas. Thus condition 2 should remain but in a modified form so as to expedite relocation of these uses and/or to expedite zoning adjustments for the subject and nearby parcels. Failing this, the County should at least work with the Real Property Tax Office to adjust the tax code so that these non-forming parcels pay taxes based on actual use.

Regards
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