

From: [Carol Davies](#)
To: [Planning LPC Testimony](#)
Subject: Site M planning at Mauna Lani
Date: Saturday, April 18, 2026 1:09:29 PM
Attachments: [SiteM Position Brief v2.pdf](#)

I wish to comment about the proposal by DHL Mahi Site M LLC at Mauna Lani in the vicinity of the roundabout, the Villages and the Mauna Lani shops. I attended a meeting a few months ago at the Auberge hotel where information was presented to the homeowners. I know that you have received detailed comments of a Position Brief which I fully endorse. (I have attached this FYI) I do have an additional comment about the sewage system. As you know, the sewage problem at Puako is contrary to all hopes of retaining the coral reef in the area. A tremendous amount of work has gone into solving this problem, and connecting to the sewage system at Mauna Lani is the primary (and is proposed) solution to resolve this issue. To me, this is really important and makes the comments in C. Wastewater/Sewer in the brief even more relevant.

I am sure you all see what happened on the land on the other side of Queen K at the Mauna Lani junction. Proper thought has to go into all new proposals that increase the human footprint in this amazing historic area.

—Carol Davies
Resident at Mauna Lani

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SITE M SMA PERMIT AMENDMENT & 10-YEAR EXTENSION

Position Brief: The Villages at Mauna Lani — Owner #413

Prepared for: VML Community Representation

Leeward Planning Commission Hearing — April 23, 2026

Application No. PL-SMA-2026-000087 | SMA Use Permit No. 07-019

About the Author: [Renée B. Lahti](#) has owned VML Unit #413 since 2008 and has been a full-time resident of Waimea, Hawai'i since 2017. A Global Technology Executive with 25+ years of experience assessing complex systems, risk, and governance, she brings that same analytical lens to this brief. She values cultural humility and a strong pay-it-forward mindset so that the individual, the organization, and the broader community all benefit. She is also an active CERT (Community Emergency Response Team) member in South Kohala, with firsthand experience of the district's current emergency response challenges.

I. POSITION STATEMENT

The 10-year extension of SMA Use Permit No. 07-019 for Site M should not be granted in its current form. The developer, DHL Mahi Site M LLC (a Special Purpose Vehicle of [ProspectHill Group](#), San Francisco), has presented no demonstrable evidence that it can bear the fully loaded cost to implement and operate this project without negative impact on the existing communities it sits within and depends upon.

The burden of proof rests entirely with the developer. Until that burden is met with current facts, verified studies, and enforceable conditions (not promises) it is my opinion the Commission should deny the extension.

A note on development intent: Site M is currently a vacant dry lava field and a fire hazard. Development, done correctly, is not opposed. The position here is that correct development requires the project to be, at minimum, neutral in its impact on surrounding communities, and ideally, in the Hawaiian tradition of stewardship, to leave those communities better than it found them.

II. THRESHOLD CONDITIONS FOR APPROVAL

The following conditions must be satisfied, with current independently verified evidence, before any extension is considered:

1. All infrastructure studies must be refreshed to 2026 conditions.

The original SMA permit was issued in 2007, nearly 20 years ago. Traffic volumes, water demand, sewer capacity, environmental conditions, wildfire risk, and emergency evacuation requirements have all materially changed. Approving an extension based on stale studies is not legally defensible under HRS §205A.

2. The developer must demonstrate full financial capacity to bear all infrastructure costs.

No infrastructure improvement costs (on-site or off-site) shall be passed to the MLRA or any of its sub-communities. The developer holds a \$275 million mortgage from Goldman Sachs (February 2025) encumbering approximately 750 acres, including state-leased parcels containing archaeological sites and fishpond buffers. The Commission should require evidence that this debt does not constrain the developer's ability to fund required infrastructure upgrades.

3. Enforceable project gates must be established as binding permit conditions.

Conditions must be sequenced as construction gates, not aspirational guidelines. Precedent exists: the original SMA permit required shuttle service as a condition of occupancy (VML Agreement, Section 8). That model must be applied systematically to all material conditions, with bonding requirements prior to the first building permit.

III. FACTUAL BASIS — ISSUE BY ISSUE

A. Traffic & Circulation

The Problem Already Exists — Site M Makes It Permanent

- An administrative zoning swap redirected approximately two-thirds of Mauna Lani Resort traffic onto North Kaniku Drive. This imbalance exists today. Site M amplifies and permanently locks in this defective circulation pattern.
- Site M at full build-out adds an estimated 3,660 additional vehicle trips per day (360 hotel rooms x 6 trips/day + 500 residential units x 3 trips/day) directly onto North Kaniku Drive.
- The primary entrance to The Villages at Mauna Lani sits approximately 80 feet from the Foodland/shopping center entrance, already one of the busiest and most hazardous intersections in the resort. Increased queuing in this corridor directly raises the probability of rear-end and turning collisions.
- Emergency vehicle access to The Villages is compromised when the 80-foot corridor between the shopping center entrance and the primary VML entrance is congested or blocked.
- Pedestrian, cyclist, and golf cart safety on North Kaniku Drive is already degraded. Adding arterial-level traffic volumes eliminates meaningful non-vehicular use of the road.
- Living on a major arterial reduces residential property values by approximately 10%. For a typical VML unit, this represents \$200,000+ in lost value, or roughly \$25 million across the 130-unit community.

Required Commission Actions — Traffic:

- Require a full independent traffic circulation study reflecting 2026 conditions, not the 2007 baseline.
- Require the developer to disclose all traffic studies and trip generation assumptions used to justify the original zoning swap and SMA approval.
- Require corrective measures, such as restoring Site M-1 to RM-4 zoning or implementing design changes that rebalance traffic distribution across the roundabout, before any extension is granted.

B. Water Supply

- The Mauna Lani Resort area (zip code 96743 / South Kohala District) already experiences recurring mandatory and voluntary water reduction events due to well pump failures, not water availability. Adding a development of 925 units to a system already operating at stress points will increase the frequency and severity of these reductions.
- The majority of VML water usage is irrigation. More severe or frequent water reduction orders will directly degrade existing landscaping, increase HOA operational costs, and require long-term landscape replanning: costs that would be borne by current residents, not the developer.

- No updated water capacity analysis has been presented. The developer must demonstrate, with verified data, that the existing system (or a developer-funded upgrade) can sustain Site M demand without degrading service to existing users.

Required Commission Actions — Water:

- Require a current, independent water capacity study that models peak demand scenarios under full Site M build-out.
- Require the developer to fund any required upgrades to water supply infrastructure as a bonded condition prior to first building permit.

C. Wastewater / Sewer

- The Mauna Lani Resort currently disposes of treated wastewater via Underground Injection Control (UIC) wells near the coastline. This practice is regulated under Hawaii DOH Title 11, Ch. 23 and has been flagged by the Sierra Club as a coastal water quality concern for this specific resort area.
- No information has been presented on the current maximum capacity of existing wastewater processing equipment, or its ability to handle peak load under full Site M build-out.
- Under HRS §205A-26(2), a permit must be denied if the development has a 'substantial adverse environmental or ecological effect' that is not minimized. The developer has not provided an updated drainage study reflecting the removal of the golf course, which functioned as a pervious buffer protecting the fishponds. This is a legal deficiency in the current application.

Required Commission Actions — Wastewater:

- Require a current wastewater capacity study including peak load scenarios and UIC well proximity impact assessment.
- Require an updated drainage study accounting for the removal of the golf course buffer, per HRS §205A-26(2) compliance.
- Developer must fund all wastewater infrastructure upgrades. No cost to MLRA or sub-communities.

D. Beach Club & Shared Amenities

- The Beach Club parking lot currently operates at or above capacity during peak periods; cars routinely spill onto grass. Adding approximately 374 hotel guests and 551 residential owners to the Beach Club user pool (a ~75% increase) without a corresponding expansion of parking, shade, and food service infrastructure is unacceptable.
- The original SMA permit and the VML Agreement (Section 8) required Site M to provide shuttle service from the hotel to beaches prior to any certificate of occupancy, specifically to mitigate Beach Club traffic impacts. This condition must be explicitly confirmed, updated to reflect the revised project scope, and enforced with bonding.
- The Napua restaurant and Shops at Mauna Lani (including Foodland) are already operating at or near capacity during holiday periods. These community-serving facilities were not designed to absorb a 23%+ increase in resort density.
- The developer's proposed 23% density reduction appears calibrated to fall just below thresholds that would trigger obligations under the VML Agreement: a legal maneuver, not a community benefit.

E. Emergency Services & Broader Regional Infrastructure

This section addresses infrastructure that extends beyond the resort boundary. Mauna Lani Resort is not a self-contained township. It depends entirely on the broader South Kohala District (zip code 96743) for fire, police, medical response, hospital services, evacuation routes, and fuel supply.

- Emergency evacuation from the resort area is already critically constrained. During a recent tsunami evacuation, resort residents evacuating to inland areas (e.g., Waimea, which is outside the tsunami inundation zone) experienced severe road stress on existing evacuation corridors. This was observed firsthand by the author of this brief, who serves as a CERT (Community Emergency Response Team) member deployable in South Kohala.
- The proposed emergency evacuation road is listed as a new project benefit. It is not. It is a binding requirement of the original master plan. Under HRS §205A, the Commission can and should require this road to be completed and bonded prior to the issuance of the first building permit, not as a future promise.
- Adding 925 units of residential and hotel density increases the permanent and transient population that depends on South Kohala emergency services. The developer has presented no assessment of its impact on fire response capacity, medical response times, or hospital capacity at North Hawaii Community Hospital.
- Wildfire risk in the South Kohala District has materially increased since 2007. The Mauna Lani area is surrounded by dry lava fields, including Site M itself, which is currently a fire hazard. No updated wildfire risk assessment has been presented.

Required Commission Actions — Emergency & Regional Infrastructure:

- Require the emergency evacuation road to be bonded and completed prior to the first building permit, not framed as a voluntary project benefit.
- Require a current South Kohala emergency services capacity assessment, including fire, police, medical response, and evacuation route modeling under full Site M build-out.
- Require a current wildfire risk assessment and mitigation plan for the Site M parcel and adjacent areas.
- Developer must fund any required upgrades to regional emergency infrastructure serving the expanded resort population.

F. Archaeological & Environmental Compliance

- Archaeological Inventory Surveys (AIS) for the Site M area date to the original 2007 permit. These surveys predate modern ground-penetrating radar and current SHPD best practices for site identification. The Commission should require updated AIS approval from the State Historic Preservation Division before any extension is granted.
- The \$275 million Goldman Sachs mortgage (February 2025) encumbers parcels that include state-leased land containing identified archaeological sites and fishpond buffers. The financial encumbrance of these culturally sensitive areas should be disclosed and reviewed.
- The removal of the golf course from the project plan eliminates a significant pervious buffer that protected the Mauna Lani fishponds from stormwater runoff. No updated environmental impact analysis has been provided for this change.

- Native Hawaiian consultation may be required. The Mauna Lani area contains petroglyphs, a prehistoric fishing village, and active fishponds: resources with cultural standing under Article XII, Section 7 of the Hawaii State Constitution (PASH doctrine).

IV. DEVELOPER TRACK RECORD — CREDIBILITY ASSESSMENT

DHL Mahi Site M LLC is a Special Purpose Vehicle of [ProspectHill Group](#) (San Francisco). ProspectHill acquired the Mauna Lani Resort in 2017. Its principals are the same development team responsible for Hualālai and Kūki'o, the Kona Coast's most exclusive communities. This history provides relevant precedents:

- Makaiwa Bay Moorings (2024): ProspectHill/DHL proposed offshore yacht moorings in Makaiwa Bay. The Board of Land and Natural Resources deferred the proposal indefinitely following over 100 pieces of written public testimony citing reef degradation and violations of public trust resource statutes. This demonstrates that public pressure and formal testimony directly influence this developer's project scope.
- Kūki'o Public Access: The development provides 28 public parking stalls as required under the 1995 PASH ruling, but the operational 'pass system' has been challenged as a practical barrier to public beach access. The Commission should apply the KCRA standard of 'unencumbered' rather than 'managed' access in any conditions attached to Site M.
- Hualālai Marine Stewardship: Under pressure from cultural practitioners, this developer accepted a 10-year fishing ban (no-take period) for local reef areas as a binding condition. This establishes that the developer will accept firm environmental conditions when the community demands them.
- The developer failed to build under the original SMA permit despite having more than adequate time. A 10-year extension rewards non-performance. If an extension is considered at all, it must carry substantially stronger and more enforceable conditions than the original permit.

V. MLRA GOVERNANCE CONCERN

The MLRA (Mauna Lani Resort Association) governs all 17 residential communities within the resort. The Auberge (the resort hotel) holds significant influence within the MLRA structure. Because Auberge/DHL Mahi Opco LLC is the operational entity of the same developer family seeking the Site M extension, the MLRA may have a structural conflict of interest in representing the interests of residential homeowners in this matter.

All affected residential sub-communities (not just The Villages) should be engaged independently. A coordinated multi-community position would carry substantially greater weight before the Planning Commission and, ultimately, the County Council.

VI. RECOMMENDED COMMISSION ACTIONS — SUMMARY

The Commission should take the following actions at the April 23, 2026 hearing:

- **DENY the extension in its current form. The application is materially deficient: it relies on studies that are nearly 20 years old and provides no demonstrable evidence of the developer's ability to fund fully loaded implementation and operational costs.**
- **REQUIRE, as conditions of any future reconsideration, current independent studies on: traffic/circulation, water supply, wastewater capacity, emergency**

services capacity, wildfire risk, archaeological resources, and coastal/fishpond environmental impact.

- **REQUIRE** the emergency evacuation road to be bonded and completed prior to the first building permit. This is not a new benefit: it is a pre-existing binding obligation.
- **REQUIRE** financial disclosure: the developer must demonstrate that the \$275 million Goldman Sachs mortgage does not constrain its ability to fund infrastructure obligations.
- **ESTABLISH** enforceable construction gates: each infrastructure condition must be satisfied and bonded before the corresponding permit milestone is reached, not deferred to post-occupancy compliance.
- **ENGAGE** all MLRA sub-communities: the Planning Commission should ensure that all 17 residential communities within the Mauna Lani Resort have been properly notified and given opportunity to be heard, not just the communities immediately adjacent to Site M.

Prepared by: Owner, VML Unit #413 | Date: April 15, 2026

This document is a factual position brief prepared for use by The Villages at Mauna Lani community representation. It is not a polished personal testimony. All facts cited are drawn from public records, community discussion, the Wilson Okamoto notice letter, and owner research.

Supporting appendix materials available upon request from the owner.