

KAUAI PLANNING COMMISSION
REGULAR MEETING
August 26, 2025
DRAFT

The regular meeting of the Planning Commission of the County of Kaua'i was called to order by Chair Francis DeGracia at 9:09 a.m. - Webcast Link: <https://www.kauai.gov/Webcast-Meetings>

The following Commissioners were present:

Mr. Gerald Ako
Ms. Helen Cox
Mr. Francis DeGracia
Ms. Glenda Nogami Streufert
Mr. Jerry Ornellas
Ms. Lori Otsuka

Excused or Absent

The following staff members were present: Planning Department - Director Ka'aina Hull; Staff Planner Kenny Estes, Dale Cua; Staff Services Leila Kim; Planning Secretary Shanlee Jimenez; Office of the County Attorney - Deputy County Attorney Laura Barzilai, Office of Boards and Commissions - Support Clerk Lisa Oyama.

Discussion of the meeting, in effect, ensued:

CALL TO ORDER

Chair Francis DeGracia: Good morning. The time is 9:09, I'd like to call to order the Planning Commission meeting for Tuesday, August 26, 2025. Could we get a roll call vote, Mr. Clerk.

ROLL CALL

Planning Department Director Ka'aina Hull: Roll call, Mr. Chair. Commissioner Ako?

Commissioner Gerald Ako: Here.

Mr. Hull: Commissioner Cox:

Commissioner Helen Cox: Here.

Mr. Hull: Commissioner Ornellas?

Commissioner Jerry Ornellas: Here.

Mr. Hull: Commissioner Otsuka?

Commissioner Lori Otsuka: Here.

Mr. Hull: Commissioner Streufert?

Commissioner Glenda Nogami Streufert: Here.

Mr. Hull: Chair DeGracia?

Chair Francis DeGracia: Here.

Mr. Hull: You have a quorum, Mr. Chair. 6:0.

Chair DeGracia: Thank you.

APPROVAL OF AGENDA

Mr. Hull: Next is the Approval of the Agenda. The department recommend amending the agenda first to reflect, L. New Business items to directly proceed their respective agency hearings in G.2.

Ms. Cox: I move we approve the agenda as suggested.

Ms. Streufert: Second.

Chair DeGracia: Okay, Commissioners, motion on the floor is to approve the agenda as amended by the clerk. We'll do a voice vote on this. All in favor say aye. Aye (unanimous voice vote). Opposed. Hearing none, motion carries. 6:0.

MINUTES OF THE MEETING(S) OF THE PLANNING COMMISSION (None)

Mr. Hull: Next, we have Minutes of the Meeting of the Planning...oh, I apologize. There are no previous minutes, so we move directly into Committee Reports. I'll turn it over to the Subdivision Committee Chair.

RECEIPT FOR ITEMS FOR THE RECORD (None)

COMMITTEE REPORTS

Subdivision Committee Report

Subdivision Committee Chair Gerald Ako: Good morning. The Subdivision Committee met this morning. We had six items on the agenda, however four of the items were Extensions for Requests. Requests for Extensions and two of them were a request for termination of a prior permit, so with that, if you have any other questions.

Chair DeGracia: If no questions, Commissioners, I'll seek a motion.

Ms. Streufert: I move to approve the Subdivision Committee Report.

Ms. Cox: Second.

Chair DeGracia: Okay, Commissioners, motion on the floor is to approve the Subdivision Committee Report. If there's no discussion, we'll take a voice vote. All in favor say aye. Aye (unanimous voice vote). Oppose. Hearing none, motion carries. 6:0.

HEARINGS AND PUBLIC COMMENT (None)

Continued Agency Hearing (None)

New Agency Hearing

Mr. Hull: Next, we move on to New Agency Hearing, 2.A.

CLASS IV ZONING PERMIT Z-IV-2026-1 to allow the construction of a 42,000 square feet warehouse/distribution facility and associated site improvements on Lot 4 of the Ahukini Business Park Subdivision in Lihue, involving a parcel situated on the makai side of Kapule Highway and immediately adjacent to the County of Kauai Ahukini Transfer Station, further identified as Tax Map Key: (4) 3-7-002:021 and containing a total area of 14.671 acres - **BHD LAND DEVELOPMENT LLC. [Director's Report Received, 8/12/2025].**

1. Director's Report pertaining to this matter.
2. Transmittal of agency comments to Planning Commission.

Mr. Hull: I don't have anybody signed up to testify on this agenda item. Are there any members of the public that would like to testify on this agenda item? Seeing none, the department would recommend closing agency hearing.

Unknown Woman from public audience: For the applicant (inaudible)?

Mr. Hull: Oh no, no, during the...yeah, this is just for public testimony.

Unknown Woman from public audience: Okay. Thank you.

Ms. Cox: I move we close the agency hearing.

Ms. Otsuka: Second.

Chair DeGracia: Commissioners, motion on the floor is to close agency hearing on this agenda item. Any discussion? Hearing none, we'll take a voice vote. All in favor say aye. Aye (unanimous voice vote). Oppose. Motion carries. 6:0.

Mr. Hull: With that I'll turn over to the staff planner to give the Directors Report, and then as the applicant's here and if they'd like to give a brief presentation, so we may have to take a small recess when we get into them, to set them up, but I'll turn over to Kenny for now.

Staff Planner Kenny Estes: Good morning, Chair and members of the Planning Commission. I'll go over the report for the record.

Mr. Estes read the Summary, Project Data, Project Description and Use, Additional Findings, Preliminary Evaluation, and Preliminary Conclusion sections of the Director's Report for the record (on file with the Planning Department).

Mr. Estes: I'll hold off on the department's recommendation.

Chair DeGracia: Okay. Thank you. Commissioners, any questions for the planner or the department?

Ms. Streufert: (Inaudible). It's on. Got it. On this 14.671-acre property there's a 42,000 square foot facility, but I don't see that where that's going to be located on the, on the...

Mr. Estes: They provided a site plan with the application, which shows the proposed facility on the lot.

Ms. Streufert: I can't seem to find it. I'll ask the applicant (inaudible).

Mr. Hull: (Inaudible). I'm certain they'll be going over that in their presentation as well.

Chair DeGracia: Commissioners, any further questions? Additional? I have a question for the department, but this is not concerning our application, but just curious about parking requirements in industrial under that Section 87.3 and what is the logic behind having only one parking stall for each 3 employees? (Inaudible). It doesn't pan out in my mind.

Mr. Hull: Yeah, well, philosophically from a zoning perspective, parking standards are absolutely arbitrary, that you will look across to zoning code to zoning code to zoning code and every zoning code for each different municipality will have different parking requirements, so how they're created, I'm not sure where three came from originally in 1972. There is some, you know thought within the planning industry that the parking requirement should just be turned over the applicants and they know their parking better than government does. Having said that, sorry, little parking rant there. The one in three you can surmise that not every employee is going to be on site during the working hours, so you don't necessarily need a parking stall for every single employee employed by an operation and that they'll be there during different times. but being that generally of the belief that operations know their parking better than us, like the question would be pointed to ask the applicant as well whether or not that's (inaudible).

Chair DeGracia: It's just on a case by case, but this is just written into the code.

Mr. Hull: It's written in the code, we have to apply it but yeah...

Chair DeGracia: Okay. Thank you. Commissioners, any further questions? If not, do we need a few minutes to...

Ms. Streufert: Is that the same...I'm sorry, for the parking thing, is that also the same rationale for the number of photovoltaic recharging stations because there's only five and I don't know how that works.

Mr. Hull: The...so, the trigger for photo, for, not photovoltaic, but I think you're talking about EV charging stations.

Ms. Streufert: I'm sorry, yes.

Mr. Hull: EV charging stations is off of what the code requirements are once you hit 100 units, so many additional EV charging stations are required. The 100 units is in state law and then the county law goes a bit beyond that.

Chair DeGracia: Okay, Commissioners, anything further for the department? If not, did I hear that they need a few minutes...

Mr. Hull: Kenny, are they set up already or are they going to take some time to set up before?

Mr. Estes: I believe they have to set up.

Chair DeGracia: Okay.

Mr. Hull: Maybe a 5-minute recess.

Chair DeGracia: We'll take a short recess for setting up.

The Commission went into recess at 9:25 a.m.
The Commission reconvened from recess at 9:27 a.m.

Chair DeGracia: Okay. Thank you for your patience. I'd like to call the meeting back to order.

Mr. Hull: And with that I'll turn it over to the applicant, BHD Land Development LLC.

Ms. Onaona Thoene: Mahalo nui. Can you folks hear me okay? Alright. Good morning, Chair, Commissioners, Planning Director, and Planning Staff. My name is Onaona Thoene and I represent the applicant, BHD Land Development LLC. We thank you folks for hearing this application this morning. We prepared just a very brief PowerPoint presentation to bring up some of the visuals from our application to help orient you with our project. With me today are Steve Bachman and Tracy Hammer of BHD. We also have a number of our technical consultants with us should you folks have any questions on the project. So, as reported by the Planning Department this project is going to be cited on Lot 4 of the Ahukini Makai Subdivision. Project is located near the Līhu'e Airport and the Līhu'e Refuse Station. So, that's right here, you can see it on the map. The line is designated in the State Land Use Urban District and it's zoned in the General Zoning, General Industrial Zoning District. As they reported the projects approximately 42,000 square feet, warehouse and distribution facility on approximately 8.8 acres of a larger 14.6-acre parcel. The proposed warehouse and distribution use is a permitted use in the General Industrial Zoning District and is consistent with the General Plan and the urban center designation. In terms of economic benefits, we are expecting that this project will create

approximately 169 permanent employment positions on the island. So, with that, I'll go ahead and turn it over to Steve and Tracy to provide you some additional details on the project site plan and elevations.

Mr. Steve Bachman: Good afternoon, good morning, sorry, afternoon back in Arizona. Can you guys hear me okay?

Mr. Hull: Yes.

Mr. Bachman: Okay, great. I'm Steve Bachman with BH DevCo, also the owners of BHD Land Development, which is the LLC. that we are (inaudible) contract to purchase this land through. My partner is Tracy Hammer; he's sitting to my left. We're happy to be here, so thank you guys for taking the time to hear our application. Love to give you a little overview of what the site looks like, certainly answer the question about where the 42,000 square foot facility is within the overall subdivision, but to start I guess I'll tell you in 30 seconds about us. So, BHD is a national developer that works directly for end users, so we do not (inaudible) developments, so there is always an actual user behind us that is certainly the case here. I'm always under, and Tracy 's always under an NDA, Non-Disclosure Agreement, so we can't specifically talk about who we are representing. So, therefore we go under project code names. This one we call Project Winston. And we're very happy to be in front of all of you to talk about Project Winston. Certainly getting answer any questions you have about operations, how the building functions, hours of operation, the type of construction, all those things. We just wanted to kind of tell you who we are, and that it's not just the two of us up here, there is a, an end user behind us. So, as to the site plan, what you see in front of you is the overall 14-acre parcel and within the, what I'll call (inaudible), right side or what appears to be east, but it's more the South side is the regional retention facility for the Ahukini Subdivision that is being developed currently by Grove Farm. So, that is the drainage facility that will serve the entire project, so within the 14-acres that includes that portion of the project as well as our project, which is on the plan, west side. So, I don't know if we have anything that shows the overall subdivision but...

Ms. Theone: (Inaudible).

Mr. Bachman: We could potentially get there if you want to see how it fits within the overall subdivision, but to kind of go through the operations of the site and what we're currently showing you, is the area in the center of the colored areas is the actual building, and just for the record I'd like to make, I'd like to make a correction for the record, when we submitted the application we submitted it as a 35,994 square foot building, with a 6,545 foot canopy area, since that time, and is often the case, there's minor modifications that get made as we start to work with the end user on some design elements, very minor in this case, but for the record I'd like to state that we are now showing a 36,148 square foot building with 5,015 square feet of canopy, so the total square footage of the overall, call it canopy and building area is now 41,163 square feet, whereas before we were a little over 42,000. So, minor modification, but just wanted it for the record state that. That is within the kind of the blocked area in the middle. The canopy area is over the green area, those are the parking stalls for the vans that we'll be leaving the facility to go make parcel deliveries. The blue area is where the vans park when they're not in operation. They come in, they park or go through and then go to the green area to back in, get loaded with packages and then exit out of the facility. The yellow area is where the employees park in. To the question

earlier, we certainly exceed the standard and that is often the case with almost all of these buildings, do...you know exceed the standards of what the local codes are. I would agree that the codes are sometimes a little bit outdated in how they, how they interpret what the employment or what the, you know, facilities will be for current industrial buildings. We design it for the end user and for their potential growth, potential, so that is what the yellow area is and the yellow area is a total of 89 parking stalls currently. I should mention that the blue area is 46 parking stalls and the green dock area includes 9 loading docks for those vans. The red area to the plan north is where the trucks would come in with the prepackaged addressed packages, they would be unloaded in the red area, that is 6 depressed dock areas, we're going to show you the next slide that shows you a little bit of the elevation of the building. So, that is a depressed dock you see it down here in the bottom right, so that's a 4-foot high dock area, so the trucks back in there, they unload the packages, they then get sorted by the employees inside of the facility, they then get ready to go into the vans and as the vans pull up they get loaded into the vans and off to their final destination. The other view, so that view is kind of from what would be the plan southeast corner looking at the canopy and look at the dock area. The other view is kind of from the plan southwest corner looking back at the building, showing where the office entry is. On the...there under that canopy as well as the canopy itself for the van loading, so that is kind a, kind of the overall design and operations for the facility. Certainly happy to answer any questions. Often we're asked about timelines, so I'd be happy to give you just a very quick timeline. You know, as you all know, I believe you guys have approved the overall subdivision agreement that subdivision for Grove Farm and their master development. They are currently under construction with their master plan doing their phased grading, utilities, paving, all the things they're supposed to do and they're doing a great job, we're enjoying our relationship with them. So, a lot of what we're doing within this project kind of gets dovetails into what they're doing for the master development, master subdivision standpoint. So, based on their timing, we will continue with the design, again assuming, well not assuming, but hoping that we get your approval today. We would kick off our design, go through design and be planning to commence construction in 2026, with a building opening and operating in 2027. And that does coordinate with the construction activity that Grove Farm is doing within the overall subdivision. So, with that, kind of a general overview of off site by them, our timing and then I'm happy to answer any questions or Chair, if you have no questions at this time, I'll turn it back to Onaona and she'll give you a little bit more on the project.

Ms. Theone: Thanks, Steve. Just a couple more slides here again, so this is all part of our application showing, you know generally where the location of the property, General Plan Designation, Zoning Designation, State Land Use, flood zone, tsunami zone, and SMA, and because the portion of the project as you can see back in this slide, very kind of top corner of the project, portions in the SMA, we did apply for SMA Minor Permit and it covers just some simple elements that are located in the SMA that you can see, here we have perimeter fencing, bio swell, landscaping, we have a trash enclosure a little bit of some pavement areas and then of course a portion of the regional retention basin. So, that SMA Permit was granted on August 11th, and then lastly, we did get the Shoreline Setback Determination, so this graphic here shows, you know the shoreline, it's the 100 setback in relation to the project. So, you know we just again, thank you folks very much for your time, hearing our application. We have the approvals that we're going through to get this project going and our team is available for questions if you have any.

Chair DeGracia: Commissioners, questions for the applicant?

Mr. Ako: Real quick, if I can. Relative to the Refuse Transfer Station, where is that? Real close, right?

Ms. Theone: It's the next door neighbor, yeah.

Mr. Ako: On the Hanamā'ulu side?

Ms. Theone: On the south side...right?

Mr. Ako: South side...

Mr. Bachman: It'd be to the south, yes.

Ms. Theone: So, right here, these guys are right...the refuse station if you can see, that's their parcel right there. See if I can get a better...here we go.

Mr. Bachman: Yeah, there you go.

Mr. Hammer: (Inaudible) corner of the building, that white (inaudible).

Mr. Ako: So, as I come into Ahukini as I'm going to the beach, it's on the left, mauka side? Next to the...

Ms. Theone: Ahukini Road... sorry, okay.

Mr. Ako: Which is the...

Ms. Theone: So, the beach is on this side, yeah, the refuse station is right here.

Mr. Hull: So, behind (inaudible).

Mr. Bachman: So, we're above the beach...

Ms. Theone: Yeah.

Mr. Bachman: ...but adjacent to the refuse station.

Ms. Theone: Yeah.

Mr. Ako: Got it. Okay.

Ms. Cox: So how...I know that you've met the setback requirements, but how close are you to the bay, and what is the visibility?

Mr. William Eddy: Good morning. My name is William Eddy with Kodani & Associates Engineers. We're the civil engineer consultants for the project. So, the...on the map here there's two red lines, the first red line that is closest to the (inaudible) that says Hanamā'ulu Bay, is the

certified shoreline. And that is really just what it sounds like, it's...the vegetation line of the bay, and then there's a 100-foot setback from that, and so that's where development has restrictions. So, the terrain there is quite steep, it's like a rocky headland there, you can kind of see it when you fly into the airport where it's rocky shoreline, and so the elevation at the project site is...I'm kind of guessing, but maybe about 80 feet (inaudible) sea level.

Ms. Cox: Okay.

Mr. Eddy: And then at the edge of the property there, is close to the top of the slope where that Lot 4 is kind of a nice plain surface, and you know it was a sugar cane field at one time and then it drops off quite steeply to the ocean. So, there are nice views of Hanamā'ulu Bay from this lot for sure, but there's also a lot of trees along the cliffside...

Ms. Cox: So, if you're down on the bay you're not going to see the building...or will you?

Mr. Eddy: You won't...it's...the angles just don't work out. Maybe if you were directly across the bay and then looking through the trees and, you know it's up at a higher elevation, so we haven't really done any studies as such, but I wouldn't expect that you could see the building itself, it's not a tall building...

Ms. Cox: Right.

Mr. Eddy: ...it's a (inaudible) 28 feet in height, yeah.

Ms. Cox: Thank you.

Mr. Hull: There's a Shoreline Setback Ordinance Amendment on the agenda, and Ms. Diamond is sitting in the back, so I just want to clarify a certified shoreline is no longer the vegetation line, it is the highest (inaudible) to the highest (inaudible).

Ms. Cox: That's right.

Mr. Hull: As enumerated in the Supreme Court ruling per Diamond v State, so, thank you.

Ms. Streufert: Before you go. I just have a couple of questions. I misstated my question earlier. I did see this map, but I cannot quite figure out how close you are to the approach, the airport approach or the airplane approach because I'm more concerned about...I'm concerned about the view plain, but I am more concerned about the safety because it is so close to the airport. So, could you explain a little bit about what kinds of mitigating factors you're using to ensure that there is safety that we can assure safety at the airport?

Mr. Eddy: Okay. All of Ahukini Makai Subdivision is subject to an agreement with the Department of Transportation Airports Division and the name of the agreement is called Avigation Agreement, and so there's rules for development within the subdivision and per the agreement. One of the conditions of the Avigation Agreement is that each development submits to the FAA, the Federal Aviation Administration for a certain permit for development in proximity to an airport and so there's a standard application and we've completed that application, and then the FAA does a, they call that aeronautical study and the application seems

to be most concerned with tall things like antennas and also with lighting, and so they have it reviewed and approved the application for this project. So, that would be an FAA approval.

Ms. Streufert: So, I see this report from the Department of Transportation that was included in this and their comments included complying with conditions and terms outlined in the memorandum of agreement of mitigation measures for traffic and there are a few others in here. Would this be acceptable if this were also part of the conditions for approval? If this is from the department or the state Department of Transportation?

Mr. Bachman: Yeah, from the applicant standpoint, we do adhere to and are part of the overall subdivision and we do understand that Grove Farms is adhering to the criteria that they have been told by the DOT, so we would be fine if that was a condition of our approval.

Ms. Streufert: Which is this particular document.

Mr. Hull: Yeah, to clarify. So, that conditions, sorry, Hawai'i Department of Transportation submitted separate comments to this particular application that aren't necessarily the exact same comments typed (inaudible) subdivision requirements, and so what the commissioner is asking is, would you, as the applicant be open to an amendment to the department's proposed conditions of approval to incorporate the HDOT comments as requirements as well.

Mr. Bachman: Just to our project application or to the overall? Because I can't, we can't agree to something...

Mr. Hull: No, no, yeah, it'd just be for, just for your project site application. Correct.

Mr. Bachman: Yeah, we've reviewed those and we don't see any issue with that. That'd be fine.

Chair DeGracia: Commissioners, further questions.

Ms. Otsuka: I...

Mr. Ornellas: Yes, I'm...

Ms. Otsuka: Go ahead.

Mr. Ornellas: I'm just curious as to why, and I don't think you can answer the question, but I'm just curious to why the end user wishes to remain anonymous. I mean if they coming to Kaua'i to do business here and they're a reputable firm, you would think that they would have no problem telling us who they are.

Mr. Bachman: Yeah, you're probably right that I can't answer that for them, what I can tell you is that it is not specific to Hawai'i, it's not specific to this project, it is the standard course of business that my partner and I have to go through. We would love to tell you, but we just can't do the NDA, but yeah, the reason for why they want to remain somewhat anonymous I don't, I wouldn't speculate I guess as to what that is, but we do...our experience with this particular end user is that they are a great end user, they are of the highest quality, and when the time is right they do make announcements so that everyone knows who they are. So...

Mr. Ornellas: As you can see our names are right here, right, so...we can't be anonymous.

Mr. Bachman: Yes, understood.

Mr. Ornellas: Thank you.

Mr. Bachman: Thank you.

Mr. Ako: If I can follow up on that and if you cannot tell us, who could?

Mr. Bachman: Who could? The end user only can, themselves.

Mr. Ako: And would they be willing to disclose that to this Commission?

Mr. Bachman: To this Commission today, I don't believe that they would be willing to disclose that. But I can't speak for the end user on that specific item.

Mr. Ako: Okay.

Chair DeGracia: I got a question. In the application...

Mr. Hull: Sorry, I just gotta...just with the way the conversations going, I just want to also, just point out that the department when we accept applications, just is reviewing the proposal as long as the landowner is authorizing the proposal to be, you know, applied for, there's no way that the department can compel, you know what the specific operation is. We have to look at the operation as proposed regardless of who is applying. So, that's why the department can't...I mean I think we all know who we're talking about, but...

Chair DeGracia: My question is, there was a section on community outreach and it stated that when an application is submitted and accepted by the department that you would initiate, so two part question, what is the goal of that community outreach and then the other part is, where are you at with this outreach to the community?

Mr. Bachman: We would...a lot of that has been done through the master subdivision, we're working closely with Grove Farm, where they have had, you know many meetings over the last call it 10 plus years with the community. They've given us you know names and contacts of people to be reaching out to. Some of them with the end user and we are beginning and working through that process now. We have our cultural team with us here today and will continue to follow up with kind of some, what I'd call key stakeholders with both the end user and with Grove Farm. But a lot of that outreach was done and approved or done, done through the subdivision agreement that Grove Farm already completed.

Chair DeGracia: Okay.

Mr. Bachman: But nothing (inaudible) that.

Chair DeGracia: Specific to this project though, has there...is there goals for the community outreach specific to this project or...

Mr. Bachman: Absolutely.

Chair DeGracia: What is your goal?

Mr. Bachman: Yeah, the goal for the end user and we'll be alongside them is to have community outreach to reach out to different stakeholders within, you know local community to start to integrate with local groups as to employment as they get closer to, assuming an approval and moving forward, you know getting closer to bringing employment on, so they have what they call, you know some of these, some of the things you'll see in here are what they call, like flex drivers, I believe it was in the application, there are local, there are opportunities for local people to work for them not just as an employee, but otherwise through other contract things and they will engage with the community directly for that, and that they've had, you know we will have, my partner and I will engage with the community through the contractor base, so while we haven't hired a general contractor yet, we hope to in the coming months and when we do that we will have outreach to the contractor community as well, so that we have sub-contractors that are all, you know have an opportunity to see the project as well, which is typical of all the projects we work on, Mr. Chair, but here I think, you know we certainly have already had those conversations with them, (inaudible) my partners met with, you know three different general contractors, Swinnerton, Layton and PLC...

Mr. Hammer: PCL.

Mr. Bachman: PCL. And you know, with part of that direction being that local outreach will be part of what we will pursue with the, the contracting of this project for construction.

Chair DeGracia: Thank you, and you brought us something interesting, what is a flex driver and what's the difference between a flex driver and an employee driver?

Mr. Bachman: I don't know that I can fully answer it 100% accurately, but I'll give it a shot and someone will tell me if I, if I messed it up behind me. A flex driver is not an actual true employee of the end user, they are a contract employee that works through a contract to have the opportunity to drive for that end user, so there's separate things that are set up, so there's full time employees, they're employees, you know with the, you know kind of call it the typical employment base, but then there also are flex drivers, which are not direct employees, but have contracts with the company to drive and some of those are done through what they, you know it's part of this outreach where they do have, where they work within the local community to find, you know leaders for that on that opportunity to bring others in.

Chair DeGracia: Thank you. And then one last question. I was looking at the rendering of the warehouse, how are you guys planning on cooling it down for workers inside?

Unknown Male: It will be an air-conditioned warehouse.

Chair DeGracia: Okay.

Unknown Male: And then when I was going to add to the outreach, we have reached out to four general contractors, and all have a local presence and certainly work on the islands and as part of RFP to the general contractors, will be outreach to the local folks, so we will have a diversity

component as part of that RFP, where we'll set goals and objectives for the project and then I do think as well it's good to add the sustainability portion to that, it is a company that's focused on low carbon emissions, there will be a recycling program, we do have the 5 EV charging stations as required, but there's definitely a goal and a target to hire local wherever we can.

Chair DeGracia: Thank you. Because this operation, it looked this a considerable operation and the size of it would like to see a good partnership with the community. Thank you. Commissioners, any further questions?

Ms. Streufert: I do. Go ahead.

Mr. Ako: Let's see, I think one of the big issues that we face here on Kaua'i is the fact of, you know our economic stability that we have here. The big issue is that we're just losing our next generations that are moving off island because one, they cannot afford to stay here or the lack of job opportunities. I know you mentioned that there's about 69 jobs that this project here will employ. What type of jobs are we talking about? About the 69 or whatever that number is.

Mr. Bachman: Yeah, I think it's a 169.

Mr. Ako: 169.

Mr. Bachman: 169. You know, drivers, warehouse workers, maintenance, there's a variety of things that people that work within the warehouse. There's also obviously the people that oversee them, so the management of the of the facility and things like that, so a myriad of things, but a lot of, you know, it's, this is a true warehouse facility, it's a distribution facility and it is a delivery facility, so it will be, you know warehouse workers and drivers.

Mr. Ako: So, if we talking about salary, any idea about what that average, what the mean salary would be for an employee.

Mr. Bachman: I don't know that myself and I wouldn't guess, especially since we're talking about here in the islands where I'm not sure what the, what the pay is myself but...

Mr. Ako: And you also mentioned that the warehouse itself will...it's going to be a warehouse and distribution center, yeah, what does that mean? That means products will be coming in and going out as well as products that will be stored within the facility for say, distribution.

Mr. Bachman: Generally, the project, so to go back to the site plan, so, prepackaged things come in daily into the red area, which would be the unloaded through by in the docs, so they come in through trucks and get unloaded. They then, the workers then sort them.

Mr. Ako: And those are designated for no particular individual or residents, they're just this block of goods that are coming in.

Mr. Bachman: No, no. They are already prepackaged.

Mr. Ako: Prepackaged.

Mr. Bachman: Yes so, they already have been, delivery station wise, someone has already made an order, that package has been put into the box that has your name on it and then it gets shipped to this from a from a...through a truck from another facility and then gets sorted and gets placed on a van and gets delivered out to your house or whomever 's house or business from this facility. So, it's not actually storing overnight, you know a bunch of materials that are going to be orders placed for them to be packaged in this facility, that is not the current operation of this facility, it's more things coming in, warehoused, loaded, sorted throughout the day and then distribute it out later in the day. John?

Unknown Male: Yeah, that was right and (inaudible). Very good.

Mr. Bachman: John Karnowski is the Traffic Engineer for us, as well as works actually for this particular end-user, so he is very familiar with their operations and can help answer questions as well.

Mr. John Karnowski: And then what I was going to add real quick as well, if you do read the type 4 application I think there's a great section or paragraph in there in regards to the employment, the hourly wage, the benefits that the client provides, but the great written narrative that I think does speak to Steve's point that, you know this client is a great steward of the community and they hold that in very high regard, but there's a lot of detailed information in the application.

Ms. Otsuka: I have a question. With the amount of vehicles proposed, was there any discussions regarding our future need for above ground fuel station?

Unknown Male: Fuel station.

Ms. Otsuka: Fuel...

Mr. Karnowski: I don't think that's part of the plan.

Ms. Otsuka: Okay. Thanks.

Ms. Streufert: On page 4 of your application it that says that there is going to be, using, handling or storing hazardous materials in the ordinary course of business. It's on page 4. And there was a concern in the Director's Report about drainage with the airport runway area so close, and also it goes into the potentially go into Ahukini Bay, can you address that?

Mr. Karnowski: I'll try and touch on the hazardous materials to start. Currently and initially there are no plans to store hazardous materials. I know it was part of the clients operation on occasion they may have facilities that do store hazardous materials and if that were to occur there would certainly be a follow up process to the requirements entitlement side of that as far as what, how those materials may be handled, but initially no hazardous materials.

Ms. Streufert: And the drainage part of that...is that...

Mr. Karnowski: The drainage is part of the overall Master Plan as Steve had mentioned, the area to plan (inaudible), the large basin, that is a self-contained basin, so we will not be sending any stormwater off property, if you will, that'll all be contained within the master basin.

Ms. Streufert: So, this is all part of the Master Plan, but not specifically to this project. Is that correct?

Mr. Karnowski: When the Master Plan was designed this particular lot was planned as part of that overall master retention detention basin, so...

Ms. Streufert: Okay.

Mr. Ako: At 40,000 square feet, warehouse, are you aware of, if there's any other warehouse or distribution center on the island equivalent to...it's about the size of Longs, right? About 40,000 square feet. Are you aware of any other warehouse or distribution center on island or maybe in state, maybe might be a better question, that exist?

Mr. Bachman: On the island, not aware of any. Certainly, there are other opportunities or other things in state, absolutely. On O'ahu there's buildings that big and larger, but here on Kaua'i, (inaudible) I don't know of any nor have I seen it. But what I can say to that is that, you know the way that these operations get designed and specifically for this type of facility is that every building is...it's not a cookie cutter at all. We, my partner and I have developed many of these buildings around the country and this one might be 42, the next one might be 26, the next one might be 87, every building is designed for the market based on the capacity of what the end user specifically believes the needs of that community are, so this is not an over designed, if anything it's the right size for the market with maybe a little bit of room for growth and expansion, but yeah they (inaudible) to really, especially in this product type, there are other buildings that another users would work with, where they do just kind of building the same building often, but that is certainly not the case for this facility, since it is right sized.

Mr. Hull: The only one I can think of, Commissioner, would possibly be the building supply warehouse in Lawa'i.

Mr. Ako: Lawa'i.

Mr. Hull: It's not receiving things from the airport, per say, but receives material and then distributes the material.

Ms. Otsuka: Comment, I appreciate the investment in the Hawai'i workforce, it says the end user invest up to \$5250.00 per associate annually to support their educational enrichment and career goals, so I appreciate that.

Chair DeGracia: I've got a question. This facility is it designed mainly to self-perform instead of contracting out your business or will it also, or and will it expedite the current service that's going on now?

Mr. Bachman: I'll talk in general because again I'm not the end user, but our understanding is both of those things will be true. One, it will...these efforts are designed to expedite delivery to

enhance the customers experience with the end user by not relying on others to do the delivery, specifically. So, by having the delivery network more contained, I believe it is easier for this end user to control the outcome a little more and they, and it will enhance customer experience, may shorten some other delivery timelines and third, it may take the relief off of some other facilities that are, that are a little bit stressed by the need to assist this particular end user. So...and again we're seeing this, my partner and I are working on this with them in many locations and we've heard that, call that second hand information, but in other presentations that I'm, so I'm kind of repeating what I've, what I've heard previously, but I do believe that to be the case.

Chair DeGracia: Thank you. Appreciate it.

Mr. Ako: I have one question. You know, as you just mentioned there that the, you relieving stress from some of the other, I guess distributors that are out there, does that mean we moving employees from one enterprise to another enterprise or are we increasing the workforce itself?

Mr. Bachman: I don't know that I could answer that myself.

Mr. Karnowski: Yeah, I think what I would add, you are increasing the workforce and what we do see nationally is some of the other entities are overstressed and they can't keep up with the volume, so it's more of a volume capacity timing consideration than it is an employment consideration.

Mr. Ako: Just wondering because I think right now we're looking at employment, unemployment at about 2.4%, 2.3%, and I think when you looking for the need for labor, where does that labor come from (inaudible), so, you know if we actually want to be increasing the workforce I think that's really good, yeah. We're bringing the 2.3% even further down, but I think at 2.3% you almost looking at a, everybody that's ready, willing and able to work, yeah, are already working, yeah at that level. Okay, so I'm hoping that you increasing the work, the labor workforce.

Ms. Streufert: Is there a requirement for workforce housing?

Mr. Hull: Not that I'm aware of.

Chair DeGracia: Okay, Commissioners, any further questions for the applicant and or the department? Or any further comments?

Mr. Ornellas: Yeah. You know, this type of operation is one that lends itself readily to automation, to what extent are these sorting lines automated.

Mr. Karnowski: This is all manual sorting, so this isn't a highly automated facility, so there's some conveyors in it, but it's all supported by the labor.

Mr. Ornellas: Thank you.

Chair DeGracia: Commissioners, anything further? All right I guess we'll be ready for the Director's recommendation or unless we need to take a...we can take a recess for (inaudible) of the conditions.

Mr. Hull: Well, the departments recommendation stands as it is, with the proposed recommendation of approval. Did the applicant have any objections to those recommended conditions of approval?

Mr. Bachman: No objections.

Ms. Streufert: I would also like to consider adding all of the recommendations from the Department of Transportation for safety and as you have stated previously you have no problems with that, so if we could add that with one change to those.

Mr. Hull: Yeah, there's one condition in there, Commissioner, almost all the conditions recommended by, sorry if I take a step back, generally speaking, the department is hesitant about incorporating other agencies comments as a clearing house set of conditions of approval and recommending it (inaudible) this body, this body absolutely has the ability and authority to do it, but generally the department would recommend not doing that because agencies are signatories to the building permit and will sometimes change their requirements post Planning Commission actions whereby will necessitate coming back to the Commission, so generally we recommend not, but for those agencies that are not signatories to building permits, that is, I think in a, an appropriate action to consider adopting their conditions that they're recommending. HDOT is not a signatory to the building permits, I think it's absolutely appropriate to consider adopting it. There is just one condition that HDOT is recommending that I'll be honest, from the departments standpoint we have a bit of a concern on, and it has to do with the fact that, I think it's Condition 3, which states that based on the information provided, the proposed projects does not anticipate to significantly impact the state highway system, however in the event that there are any unexpected traffic issues attributed to the project, the applicant shall mitigate them to the satisfaction of HDOT, at no cost to the state. That one, you know, all the other are pretty much reiterations of code requirements that they are (inaudible) to stand by those code requirements. This one is kind of an open-ended cart blanch, well HDOT would never do something, but like, in the extreme and in a hyperbolic statement, HDOT could be like, oh, there's too trucks on the road, we need you to build another lane to Kapa'a. I'm not saying they're to do that, but that's where there's some...it's (inaudible) simplified and if, you know perhaps, Commissioner, we could take a 5 or 10 minute recess and I can discuss with the applicant potential amendments that they might be open to, which I think will implement the intent of the condition while not leaving it entirely open-ended.

Ms. Streufert: Thank you. I would like that.

Chair DeGracia: Okay. We'll take a 10-minute recess.

The Commission went into recess at 10:09 a.m.
The Commission reconvened from recess at 10:17 a.m.

Chair DeGracia: Like to call the meeting back to order. And are we ready for the Director's recommendations?

Mr. Hull: Yeah, so the department still holds to its original set of recommended Conditions of Approval and the department is also by reference, recommending all of HDOT's recommendations be included as a new Condition 6, with HDOT's recommendations being

alphabetized with the final one being numerical and specifically the departments recommending one small change to Conditions 3 of HDOT, which be Condition C, as recommended to read as follows; based on the information provided the proposed project is not anticipated to significantly impact the state highway, however in the event that there are any unexpected traffic issues attributed to the project the applicant shall mitigate them to the satisfaction of the Planning Department will work in consultation with HDOT to make that determination.

Ms. Streufert: Should it state the Kaua'i Planning Department?

Mr. Hull: I can say that, I can adjust it, to the satisfaction of the Kaua'i Planning Department, who will work in consultation with HDOT to make that determination.

Unknown Male: I guess (inaudible).

Mr. Bachman: We do not object, we accept that modification. Thank you.

Chair DeGracia: Okay. Commissioners, any further discussion on the, the amendment? Any concerns?

Ms. Cox: No.

Chair DeGracia: If not, then are we going back to the Director's recommendation?

Mr. Hull: No, that was it.

Chair DeGracia: Or that was it? Okay. Commissioners, any further discussion?

Ms. Cox: Yeah. I just had a...I was thinking about seems to be there's a, I don't know if it's a contradiction, but at least a possible problem, and that is Gerald pointed out, Commissioner Ako pointed out that our unemployment rate is very low and you also said that you were going to be increasing the workforce rather than just moving people, so it seems like, either the project is going to steal jobs because of the unemployment rate is so low that people are going to leave other jobs to come to you or you really are going to increase the workforce, which is great, but then we have a housing problem and I was just wondering if you could speak to how you would imagine this working.

John Karnowski: I do know as part of the overall Master Plan with Grove Farms they do have a affordable housing component to that, which I think is a compliment to the overall Master Plan and I think based on the job growth and opportunities coupled with the overall Master Plan and the affordable housing component there I think they complement one another and then, you know from a job employment standpoint, you know certainly understand the low employment rate, but the objective and goal is to certainly, you know create new jobs and I think the benefits that come along with it and, you know when you really have a chance to read the Type 4 application and the written narrative, you know I think it does a great job just beyond the employment consideration factor of what the client tries to do in the community, so a lot of great information in that section without getting into a lot of detail.

Ms. Cox: Thank you.

Mr. Hull: I apologize to interject at the last minute, right before (inaudible) and action be called. Recognizing that we have two separate agenda items, we have the Agency Hearing, which was closed this morning, and we have the actual New Business, technically we didn't call for public testimony on the New Business. So, if you guys could take a seat and we'll call for any public testimony.

Ms. Theone: Thank you, folks.

Mr. Hull: Sunshine Law, sorry about that. So, while the Agency Hearing has been closed for this item there is technically a business section, New Business section. Is there any, we don't have anybody signed up, but there is anybody in the public that would like to testify on this agenda item? Okay, seeing none. Thank you.

Chair DeGracia: Thank you. With that, Commissioners, any further questions? If not, I'll entertain a motion.

Ms. Streufert: I move to approve Class IV 4 Zoning Permit, Z-IV-2026-1, with the amendments suggested by the department,

Ms. Otsuka: Second.

Chair DeGracia: Okay. Commissioners, motion has been made and seconded to approve Class IV Zoning Permit, Z-IV-2026-1, with the additional condition. Do we have any further discussion before we go to a roll call vote? Okay, hearing none, could we get a roll call vote, Mr. Clerk.

Mr. Hull: Roll call, Mr. Chair. Commissioner Ako?

Mr. Ako: Aye.

Mr. Hull: Commissioner Cox?

Ms. Cox: Aye.

Mr. Hull: Commissioner Ornellas?

Mr. Ornellas: Aye.

Mr. Hull: Commissioner Otsuka?

Ms. Otsuka: Aye.

Mr. Hull: Commissioner Streufert?

Ms. Streufert: Aye.

Mr. Hull: Chair DeGracia?

Chair DeGracia: Aye.

Mr. Hull: Motion passes, Mr. Chair. 6:0.

Chair DeGracia: Okay. Thank you.

Mr. Hull: Moving on to number, G.2.b.

SPECIAL MANAGEMENT AREA USE PERMIT (SMA(U)-2026-1), CLASS IV ZONING PERMIT (Z-IV-2026-2), and USE PERMIT (U-2026-1) to accommodate improvements to the existing Wastewater Treatment Plant (WWTP) on property identified as the Ching Young Village Shopping Center in Hanalei Town, further identified as 5-5190 Kuhio Highway, Tax Map Key: (4) 5-5-002:040, containing a total area of 2.485 acres = MICHAEL G. CHING, ET AL. [Director's Report Received, 8/12/2025].

1. Director's Report pertaining to this matter.
2. Transmittal of agency comments to Planning Commission.

Mr. Hull: We don't have anybody signed up to testify in this agenda item, but is there any member of the public that would like to testify on this agenda item?

Ms. Theone: Just mahalo to you all. Thank you very much.

Mr. Hull: Seeing none, the department would recommend closing the agency hearing.

Ms. Streufert: I move to close the agency hearing.

Ms. Cox: Second.

Chair DeGracia: Okay. Commissioners, motion has been made and seconded to close the agency hearing on this agenda item. We'll take a voice vote. All in favor say aye. Aye (unanimous voice vote). Oppose. Hearing none, motion carries. 6:0.

Continued Public Hearing (None)

NEW BUSINESS (For Action)

Mr. Hull: Moving into the business, New Business for this agenda item and agency hearing previously listed. The department's going to call right now for any public testimony on this item. Seeing none, the department will turn it over to Dale for the Director's Report pertaining to this matter.

Staff Planner Dale Cua: Good morning, Mr. Chair and members of the Planning Commission.

Mr. Cua read the Summary, Project Data, Project Description and Use, Additional Findings, Preliminary Evaluation, and Preliminary Conclusion sections of the Director's Report for the record (on file with the Planning Department).

Chair DeGracia: Thank you. Commissioners, any questions for the department, planner?

Ms. Streufert: On the historical resources, it says that SHPD, this is their application, it says that SHPD requested submittal of the HRS 6E form to formally begin their review processes, the appropriate document was submitted to SHPD. Has any response been received?

Mr. Cua: We're still waiting for their reply.

Ms. Streufert: Okay.

Chair DeGracia: Commissioners, any other questions for the department? If not, I'd like to invite the applicant up to add or applicants representative. We have anybody in the room? Good morning. If there's anything you'd like to add to the report from the department and be available for any questions from the Commissioners.

Ms. Otsuka: Should they state their names?

Mr. Larry Harper: My name is Larry Harper; I'm the General Manager of Ching Young Village.

Mr. Waioli Forrest: I'm Waioli Forrest, the Assistant Manager, and, you know, it's a long time coming, we've been looking to update this for the couple of years, and we just look forward to getting the approval and, hopefully, you know, allow us to improve (inaudible) the shopping center (inaudible). Oh...yeah, we're just hoping to improve the environment, the community and, you know just update the existing shopping center, so it just optimizes our operations, you know.

Chair DeGracia: Commissioners, any questions for applicant?

Ms. Otsuka: You mentioned you're the General Manager and Assistant of the village?

Mr. Forrest: Yeah.

Mr. Harper: The shopping center.

Ms. Otsuka: The shopping center. Thank you.

Ms. Streufert: After this project is completed, what will happen to the temporary wet water treatment...product.

Mr. Harper: The temporary...

Ms. Streufert: Yeah, but...

Mr. Harper: (Inaudible).

Ms. Streufert: ...right, the temp...there's a temporary WWTP, I can't think of what the "P" is.

Mr. Harper: It's basically just a rented temporary system, and then the company that we rent from (inaudible).

Ms. Streufert: Okay, so then the old one will then be taken out...

Mr. Forrest: Decommissioned, yeah.

Ms. Streufert: Okay, because it's not in (inaudible).

Mr. Forrest: Oh, sorry about that.

Chair DeGracia: Commissioners, anything further? The applicant or department or would you guys like to start a discussion? If not, you know if you'd like to, get the departments Director's recommendation.

Mr. Cua: Chair, the department stands by its recommendation. There are a total of 8 conditions listed. I did want to make a note that Condition No. 8, there's a small little amendment to the condition where it would read, the Planning Commission reserves the right to add, modify or delete conditions of approval. But other than that it'll stand by its original recommendations.

Chair DeGracia: Okay. Thank you. Commissioners, last questions, discussion. If not, I'll entertain a motion.

Mr. Ako: Let's see, regarding Special Management Area Use Permit, SMA(U)-2026-1, Class IV Zoning Permit, Z-IV-2026-2, and Use Permit, U-2026-1, I move to approve.

Ms. Otsuka: Second.

Chair DeGracia: Okay, Commissioners, motion on the floor is to approve Special Management Area Use Permit, SMA(U)-2026-1, Class IV Zoning Permit, Z-IV-2026-2, and Use Permit, U-2026-1. Any last minute discussion before we go to a roll call vote?

Ms. Cox: Do we have to mention that the little modification?

Chair DeGracia: With the, with the correction and addition to Condition No. 8. Okay, if not, no further discussion. Could we get a roll call vote, Mr. Clerk.

Mr. Hull: Roll call, Mr. Chair. Commissioner Ako?

Mr. Ako: Aye.

Mr. Hull: Commissioner Cox?

Ms. Cox: Aye.

Mr. Hull: Commissioner Ornellas?

Mr. Ornellas: Aye.

Mr. Hull: Commissioner Otsuka?

Ms. Otsuka: Aye.

Mr. Hull: Commissioner Streufert?

Ms. Streufert: Aye.

Mr. Hull: Chair DeGracia?

Chair DeGracia: Aye.

Mr. Hull: Motion passes, Mr. Chair. 6:0.

Chair DeGracia: Thank you.

Mr. Ako: Thank you.

Mr. Forrest: Thank you.

New Public Hearing

Mr. Hull: Next on the agenda, the final agenda item is;

ZA-2026-1: A bill (2969) for an ordinance amending Chapter 8, Article 27 of the Kaua'i County Code 1987, as amended, relating to Shoreline Setback and Coastal Protection. The purpose of this Ordinance is to amend the Shoreline Setback Ordinance by adding safeguards that protect life and property and ensure the longevity and integrity of Kauai's coastal and beach resources along the shoreline = KAUAI COUNTY COUNCIL.

1. Director's Report pertaining to this matter.
2. Transmittal of agency comments to Planning Commission.

Mr. Hull: Do we have any members of the public that would like to testify on this agenda item? If you could state your name and three minutes for testimony.

Ms. Caren Diamond: Aloha Caren Diamond. I just want to thank Planning Department and support the changes to this. I think all the changes are excellent, the Director's Report explains everything. And really amazing and I just want to add my support for all the changes and thank you. Aloha.

Chair DeGracia: Thank you.

Ms. Otsuka: Thank you.

Mr. Hull: Is there any other members of the public who would like to testify on this agenda item? Seeing none...moving...okay, generally at this point the department would give its report, the staff planner assigned to this agenda item is out sick today. I can go over briefly, so you can understand. Ultimately, we're asking for deferral to have a little more time to digest and then, yeah, thank you to Ms. Diamond, I've been in discussions with her for now, a year and a half, trying to massage parts of the ordinance and the implementation of it that could be built better and then there's some additional things in it as well that go beyond just making the ordinance better, but the first and foremost, it's kind of a 3-pronged approach, first and foremost is, we've

noticed over time that, I'm sorry, with the Shoreline Setback Ordinance, to give it in a nutshell, the purpose of the setback is to ensure that the built environment is adequately setback from the shoreline enable to ensure that the new proposed structures are not impacted by coastal hazards, particularly coastal erosion, but other coastal hazards as well, and then also so that the built environment proposed new structures as the shoreline moves mauka, those built structures aren't going to impact and create tension and conflict between the public realm of the beach and the private realm of the private property, which we often see in coastal areas where land owners often at times can be found encroaching upon, what is public domain and whether, you know you're talking about just access issues, traditional issues, gathering and fishing issues, that conflict between the built environment is part of why the Shoreline Setback Ordinance was created. A lot of people look at the Shoreline Setback Ordinance, and is like, "oh, it's just to make sure the house can we move adequately to accommodate coastal erosion", that's a part of it, but that's not the only reason. So, in looking at the proposed amendments, one area where we found that there has been some insufficiencies in administering the ordinance is when it comes to renovations, repairs and rebuilds, so when you rebuild a structure in the shoreline setback area, you are required to move it back or out of the setback, and if you're going to repair a structure in the setback area, you're allowed to repair up to 50% of the assessed value of the structure. And what we found is that a fair, not a lot, but some applications over the past have provided a certain amount that they're proposing to improve the structure by and after we approve it as a repair to happen, that considerable efforts were made whereby it would appear significant amounts of money may have been invested in that structure beyond (inaudible) originally listed in the building permit repair application. And so, the first thrust of what this ordinance does is it grants the Planning Department the authority to require that after construction has happened, well, one that renovations and repair, repairs, sorry, anybody asking for repair exemption has to itemize exactly what is being proposed to be repaired, and the material and labor that's going to go into those repairs, and so we can itemize and look that it's actually is within the 50% threshold, and then it also authorized the department that should it require receipts after construction, we have...it would provide the department ability to require those receipts and if receipts are not provided, that the department can make a market analysis of what that would have cost it, and whether through the market analysis or through the receipts, it's demonstrated at 50% has been exceeded, it just further clarifies that we can have them either apply for a Shoreline Setback Variance or they have to remove those improvements. So, that's the first thrust of it. The second thrust is looking at the minimum buildable footprint, which when building in the setback, right now the minimum buildable footprint was set at 1,000 square feet. The Planning Commission in reviewing the variance has to at least consider allowing a minimum of a thousand square foot dwelling unit, and the proposal reduces it down to 500. Again, reducing that conflict between the built environment and the public space and what may be subject to coastal hazards. And the 3rd one, and I don't know if it's not getting that much attention, there's been a fair amount of discussion statewide around the draft ordinance and this one doesn't get much discussion, but it's the one I'm kind of somewhat most excited about. I can't take credit for it. Caren came up with it and I was, kind of like, is that legal...and the 3rd one is this notion of, even if you're doing repairs, once you hit and it's well within that 50%, once you hit 125,000, it's going to (inaudible) for shoreline structures, it's going to necessitate a shoreline survey be done. And you know, (inaudible), (inaudible), I've even spoke to some private sector attorneys and they're like, oh, that's asking a lot, and I was like, well, is it legal and they're like, well, in (inaudible), and their response, no, it's legal. And this speaks to the conflict that we often see between public users and

private property and that, you know, we just don't have many surveys of our beaches, we don't actually know where that line exists and so, when property owners and not all, I don't want to speak poorly and dimly on, and be like, oh, all ocean property owners are the pits and they're jerks and they're trying to take away public rights, definitely (inaudible) the case, but there are definitely some, where indeed they are trying to exert additional property, private property rights on what is otherwise clearly public lands and the reason we have such a hard time pushing back on those property owners or DLNR has problems pushing back on those property owners, is because we just don't have many certified shorelines out there and this mechanism, this trigger could in theory get a substantial part of our beaches that are abutting the built environment, certified and us (inaudible) stand exactly where that line is. So, I know it's kind of long winded, but that's what the proposed bill is in a nutshell. So, I don't know if there's any questions commissioners have.

Ms. Otsuka: I have a question. It says the structure cost less than 125,000, but are you taking into consideration the cost of construction as the years progress? Because you can have the same today, the value of 125,000 five years from now, the cost of the construction will be higher.

Mr. Hull: Yeah.

Ms. Otsuka: So...

Mr. Hull: Yeah, the...technically with the Coastal Erosion Ordinance there's a study that's done in every five or seven years to update the erosion rates. And I think, so, it's constantly (inaudible) ordinance in that, the erosion rates as time passes are updated through a map certification at UH, so in theory, every time we update it we could look at increasing, per say, for inflationary purposes the 125,000 threshold.

Ms. Otsuka: Thank you.

Mr. Ornellas: Along those lines, not only the 125k, but where the property is located. If I'm in Kapa'a, you know, contractor is going to charge me a lot less than if I say, I'm in Hā'ena, right, so it's kind of a moving target. The other question I had was regarding the 50% rule, is that based on the current assessed value of the property because that's also a moving target, right?

Mr. Hull: Yes.

Mr. Ornellas: Every year there seems...

Mr. Hull: The assessed value of the structure.

Mr. Ornellas: ...to be...yeah, these beach front properties are assessed at higher values constantly, right. So, it's based on the current assessed value.

Mr. Hull: Of the structure, not the property (inaudible)...

Mr. Ornellas: Yeah, of the structure.

Mr. Hull: ...the structure...

Mr. Ornellas: Right.

Mr. Hull: ...and then if there is some concern around the real property assessed value of the structure, the applicants provide an appraised amount from an appraiser, who will appraise the actual structure. So...and usually you can tell...not at all, I mean if it's a clear-cut quick case the applicants we find will generally use the real property assessment of those structure just because it's readily available, but as we see some property owners especially in these high-end, larger units wanting to push that envelope more. I don't think the appraisers are held to a specific standards, so I'll don't think they're out there blowing loads of building up these numbers, but the real property assessment process as I understand it, is generally kept them on the conservative side to keep the...so the assessors, generally as I understand it, going a little bit and as low as they possibly can in their analysis, whereas an appraiser might go a little bit higher, so you'll almost always see these applications especially for these higher-end properties and the ones we often come into conflict with using appraisers.

Mr. Ornellas: Yeah, because if you're looking at replacement value then that's a game changer.

Mr. Hull: Yeah.

Mr. Ornellas: You know, not necessarily (inaudible) maybe an old structure.

Mr. Hull: Yeah.

Mr. Ornellas: And not worth much.

Mr. Hull: Yeah.

Mr. Ornellas: But if the appraiser says, what is the replacement cost of this building today, in today's dollars, then that's significantly higher.

Mr. Hull: Yeah. Absolutely.

Mr. Ornellas: Thank you.

Ms. Streufert: And this is more of a an overall kind of question. Based upon the data that's here, in the past century, on average the beaches have lost four inches per year because it's 36 feet for the last century, and if this is correct based upon those projections, by 2050 it will be double that, so that'll be eight inches per year, and if you go to 2020 or 2100, it's two and a half times, so that would be 10 inches per year. When that happens, where does the private property begin and the public beaches start? Is that based upon from the...from where it is today or where...each year that it goes up? So, that the property owners will actually lose land...

Mr. Hull: Yep.

Ms. Streufert: ...as they go on. Is that correct?

Mr. Hull: That is correct.

Ms. Streufert: So, that's about 10 feet or 10 feet over high tide is always going to be there.

Mr. Hull: Correct. And it moves, right, so in Alisha's report she's just, she's taking it from the abstract...an island wide picture of overall. Now granted, if you're sitting on a beach front property that doesn't mean your property itself is going to be subject to that. It could be subject to much more than that, it could be subject to less than that, and that's what the coastal erosion study that the Shoreline Setback Ordinance is attached to intimately, is that erosion rate coastal study, each area has 50 foot transects of what the erosion rate is, and so, if you're looking at, you know, a 5-foot erosion rate in front of your property, you're going to have much more than what Alisha is laying out, but if you have a static shoreline or rocky shoreline it won't necessarily have the same impacts.

Ms. Streufert: So, if my calculations are correct and I'm not a...I'm a statistician not a mathematician. By 2100 we could lose something like 67 feet from the shoreline, that's...that's the significant chunk of land. So, I just wanted to lay that out there. But the other part of it is Hawaiian burials tended to be on the beach or close to the beach, is that correct? And our policy about iwi, is that while you're building or when you have any ground disturbing activities then you have to call SHPD to let them know. When this goes up, when you've got all this erosion and these iwi may come out, is there any requirement for the landowner or the homeowner to report this?

Mr. Hull: There generally is, and also to one set of erosion is happening, right, technically the shoreline being the highest wash of the highest wave, and I'm not a 100% certain on the overall process, but because the highest wash of the highest wave is going to generally be where erosion is exposing iwi then it's now technically in DLNR's domain, that's (inaudible) the public's fear. And so, yeah, how, so they're essentially navigating how you deal with those and if there are any lineal descendants and the appropriate process for reinterring those.

Chair DeGracia: Okay. Commissioners, any further questions for the Director?

Ms. Barzilai: Are we taking substantive action today?

Mr. Hull: No, the department is recommending a deferral, apologies, I'm looking at the calendar.

Ms. Barzilai: I also wanted to know, Ka'aina, that we opened up a Rule 5, Public Hearing, but I don't think we closed it. We opened up the hearing, take testimony...

Mr. Hull: Okay.

Ms. Barzilai: ...we just need to close the Rule 5 hearing.

Mr. Hull: Okay. Sorry. Recognizing what the October agendas are shaping up to be, the department would recommend deferring this to November 11th. Oh, and I apologize, I believe somebody from the public was raising their hand. If, Chair, if you'd like to still consider taking public testimony.

Ms. Barzilai: Yes, because the hearing's still open.

Mr. Hull: Yeah. Okay.

Ms. Felicia Cowden: For the record, Felicia Cowden, both as a resident of the North Shore for 40 year, for more than 40 years and as a council member. The pattern is, you know, very simple houses get rebuilt into something really grand. So, I think, you know there's good questions, maybe there needs to be a metric on how to determine the percentage of the cost that becomes the trigger for a significant or even minor change because definitely building cost change, but I'll tell you, you have an old house, quaint little old house that becomes a brand new very significant house. What has bothered me over the years as an individual and then also as a council person is the landscaping that happens on that that really works almost like a hardened sea wall, and so it will erode the area next to it, it takes beach areas away. In the past I haven't been down there as much because I'm kind of busy, but they'll be four houses in a row that add 10 feet one week, two weeks later another 10 feet are added, two weeks later another 10 feet, till, if you look where the beach signs are they're 40 feet back and they've taken the view, you know it's...when you allow these improvements to happen, not you, but when improvements are allowed that are so significant typically these people want privacy and is a complete change of the parcel, so it's the taking of the beach and there's no room to see around, you no longer see the view, you can't walk around, you can't take your kids there, in the winter time the waves come up. Certainly in Hanalei when the yards were put quite a long way in, the sand line went back to the normal place and that was looked at as sea level rise, (inaudible) sea level rise, it was just evidence of the encroachment on the beach. So, it's just an important element and I am thankful that we had a community member here who has been diligent on this and is looking at it, and what also happens when we look the other way on our Shoreline Setback and what is a renovation, these properties become worth millions and millions of dollars, and so it's very difficult, real property tax wise and everything else for any of the existing homeowners and people who live there to be able to continue to live there, so it basically gentrifies and changes, and privatizes the beach in many ways. So, I just appreciate the intention behind this very, very well needed adaptation. Thank you.

Chair DeGracia: Thank you.

Mr. Hull: Is there any other member of the public who would like to testify on this item? Seeing none, the department would recommend closing the public hearing.

Ms. Cox: I move we close the public hearing.

Ms. Streufert: Second.

Chair DeGracia: Okay, Commissioners, motion has been made and seconded to close agency, public hearing on this agenda item. We'll do a voice vote. All in favor say. Aye (unanimous voice vote). Opposed. Hearing none, motion carries. 6:0.

Mr. Hull: If there's other questions, Commissioners has, but otherwise we'd be recommending a deferral to November 11th.

Ms. Streufert: I move to defer Zoning Amendment, ZA-2026-1 to the November 11th meeting.

Mr. Ako: Second.

Chair DeGracia: Commissioners, a motion has been made and seconded to defer this agenda item, ZA-2026-1, to the November 11th meeting. Any further discussion?

Ms. Streufert: Can I ask you a question though? November 11th is a holiday.

Mr. Hull: Oh.

Ms. Streufert: It's Veteran's Day.

Mr. Hull: That's right. So, it would to move to actually, it's going to be November 12.

Ms. Streufert: The 12th?

Mr. Hull: Yeah.

Ms. Streufert: I amend my motion to...

Mr. Hull: Sorry.

Ms. Streufert: ...read to November the 12th.

Chair DeGracia: Okay. Motion on floor is to defer this agenda item to November 12th. Any further discussion? Okay, if not, we'll take a voice vote on this one. All in favor say aye. Aye (unanimous voice vote). Opposed. Hearing none, motion carries. 6:0.

CONSENT CALENDAR (None)

Status Report (None)

Director's Report for Project(s) Scheduled for Agency Hearing

SPECIAL MANAGEMENT AREA USE PERMIT (SMA(U)-2026-2), CLASS IV ZONING PERMIT Z-IV-2026-3, and USE PERMIT U-2026-2 for the construction of a farm dwelling unit and associated site improvements within Lot 15 of the Seacliff Plantation Subdivision in Kilauea, involving a parcel situated at the terminus of Makana'ano Place, approx. 1,200 east of its intersection with Pali Moana Place, further identified as Tax Map Key: (4) 5-2-004:088 containing a total area of 5.11 acres = CAROLINE NEAL.

1. Director's Report pertaining to this matter.

Class III Zoning Permits (None)

GENERAL BUSINESS MATTERS (None)

COMMUNICATIONS (None)

UNFINISHED BUSINESS (For Action) (None)

EXECUTIVE SESSION (None)

Mr. Hull: We have no further agenda items, so that will close out the agenda.

Ms. Barzilai: One more thing, Ka'aina, sorry about that. I just want to make sure on the Consent Calendar that we take note for the record that there's nobody here to testify on the Neal application, just so we take note. We have one Consent Calendar item it went in and just noting that nobody was testifying on the item.

Mr. Hull: Is there anybody that would like to testify? We don't have anybody signed up, but is there anybody that would like to testify on H. Consent Calendar, 2. Special Management Area Use Permit 2026-2? Seeing none.

Ms. Barzilai: That's it.

ANNOUNCEMENTS

Topics for Future Meetings

Mr. Hull: Now we have no further agenda items, except for Announcements. We do have a next scheduled meeting for September 9, 2025, which will have the Public Agency Hearing for the Consent Calendar item just discussed, however I think we anticipate quorum not being made. We'll verify that further. If quorum is not made then any agenda items get moved to the subsequent September meeting at the end of the month. With that we have no further items.

ADJOURNMENT

Chair DeGracia: Okay. Commissioners all entertain a motion to adjourn.

Ms. Cox: I move we adjourn.

Ms. Streufert: Second.

Chair DeGracia: Okay. Motion on the floor, a motion has been made and seconded to adjourn this meeting. We'll take a voice vote. All in favor say aye. Aye (unanimous voice vote). Opposed. Hearing none, motion carries. 6:0. Meeting is adjourned.

Chair DeGracia adjourned the meeting at 10:53 a.m.

Respectfully submitted by:

_____*Lisa Oyama*_____

Lisa Oyama,
Commission Support Clerk

() Approved as circulated (date of meeting approved).

() Approved as amended. See minutes of _____ meeting.