

## Maui County's Land Use Regulatory Process

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Mister Chairman, Governor Chang, President Kim and distinguished guests. It is a great pleasure for me to participate at this First International Seminar. I am greatly honored to have been invited.

Let me begin by extending to all of you, official greetings from Maui County's Mayor, Hannibal Tavares. Mayor Tavares offers his very best wishes and his most sincere invitation to visit us at any time. We were fortunate to have Governor Chang and other officials from the Cheju Provincial Government visit Maui several months ago and would be pleased to have such visits repeated.

My task this afternoon is to provide some insight as to development in Hawaii, focusing primarily on visitor destination areas. As my background is basically relative to development within the County of Maui, I will confine my observations, primarily to Maui.

First, let me provide you with some general background on the island of Maui. We are about the size of Cheju, with a land area of approximately 729 square miles. Our current population is about 75,000, which is considerably less than yours. Climatically, I understand that our two islands are very similar. Our temperature ranges from between 71 to 78 degrees Fahrenheit, and the average rainfall in our shoreline resort areas is approximately 10-15 inches annually.

Approximately 1,827,000 visitors came to Maui in 1985. The majority of visitors (1,657,690) were from the United States, with about one-third of this number from California. Nearly 150,000 visitors came from Canada, with smaller numbers from Europe, Latin America and Africa. There were also an estimated 150,000 eastbound visitors to Maui, with the great majority coming from Japan.

The total number of visitor accommodation units is currently approximately 14,000. Of this number, a fairly large percentage are condominium units, operating as hotel-apartments. This is not an unusual phenomenon in major resort areas, not only in Hawaii, but also in other parts of the United States.

A unique feature of visitor industry development on Maui is its emphasis on affluent, independent travellers. This policy decision was made many years ago, with the strong support of the industry. This policy obviously has had a strong influence on our planning and design requirements for major resort areas. We have been very successful in this regard, and for your information, I have included copies of an article which appeared in the May 1986 issue of Hawaii Business entitled "Limits to Luxury?"

This gives you a quick overview of Maui, and the current status of the visitor industry. In accordance with the theme of this seminar, let me now discuss some of the related social issues.

**A. POPULATION GROWTH** — There is no question that development of the visitor industry has brought about unprecedented growth on Maui. Back in 1960, when there were only 291 visitor accommodation units on the island, the population of the island was 35,700. The population had been steadily declining from a peak of 47,000 in 1940. The island's economy was stagnating, with increased mechanization (and subsequent reduction in labor requirements) in the major agricultural industries of sugar and pineapple. Not only was the population declining, but it was also getting progressively older. Young people, upon completing high school, were leaving the community for better opportunities, either in the major Hawaiian urban center of Honolulu, or in other areas of the continental United States. The present population of Maui includes many new residents with origins outside of Hawaii.

**B. EMPLOYMENT** - The number of available jobs has also increased dramatically with the growth of the visitor industry. In addition, the nature of jobs has also changed significantly. In 1960, total employment on Maui was 12,000. This has increased to nearly 30,000 in 1985. The changing trend in the type of employment is also striking. In 1960, 39 % of the jobs were in agriculture, with 10 % in service industries (including hotels). In 1985, these figures have changed to 8 % in agriculture and 31% in service industries.

**C. HOUSING** - With the increase in population, there has also been a great demand for additional housing. At the present time, Maui has a very low vacancy rate, and the demand for housing, both in fee ownership and rental, is great. Prices for a typical single-family residence have increased from approximately \$15,000 in the 1960's, to in excess of \$100,000 at the present time.

**D. CRIME** - There are those who attribute increases in the crime rate directly to development of the visitor industry. There is no question that the crime rate has increased significantly over the past 25 years. Actual offenses increased from 4,322 in 1960 to 20,894 in 1985. Of this number, 490 in 1960 were Part I (or more serious offenses), compared to 5,523 in 1985. It is debatable as to whether increases in the crime rate are specifically and uniquely due to the rapid growth of the visitor industry, or reflect a trend related to the general increase in population.

The regulation of development, particularly visitor related development, is a major challenge to us. Our planning process must strike a balance between community desires and economic realities. How do we approach this?

First of all, each of the counties in the State of Hawaii (of which there are four), have strong and well-developed planning processes. There are certain similarities, as well as differences. The State of Hawaii also exerts strong influence, through the State Land Use Commission, which has the basic responsibility of classifying all lands within the State into one of four categories - urban, rural, agricultural and conservation. As all major visitor destination areas must be located within the urban district, the State Land Use Commission obviously exerts considerable influence on the nature of development within each county.

Maui County also has a strong local planning process. This includes the general plan, which is a policy document outlining goals, objectives and guidelines for future growth; community plans (or development plans), which specifically identify desired land uses for both the short and long term; and comprehensive zoning, which regulates the actual use of land. I would assume that you have similar procedures in Cheju.

Some of our major planning philosophies include the following:

(1) Limiting major resort development to two areas ..... the Lahaina-Kaanapali-Kapalua area on West Maui, and the Kihei-Wailea-Makena area along the south shore.

(2) Protect prime agricultural lands, and encourage both major agriculture (sugar and pineapple) and diversified agriculture as major components of our economic base.

(3) Encourage alternative economic opportunities in areas such as science and technology in order that the Maui's economy not be dependent upon any single element. This was the case many years ago, when agriculture was virtually the sole economic activity on the island, and in recent years, when tourism assumed this role. We believe that it is very important to achieve an economic balance, for obvious reasons.

(4) Protect environmental and cultural resources within the County. We believe that this is important and desirable, not only to provide identity and traditional values to our residents, but also as a means of communicating Hawaii's rich social and cultural heritage to our visitors.

Specifically, how are we handling issues relating to major development? As most of this development occurs in coastal areas, our planning and review process includes the following:

(1) Review of the major impacts, physical, social and environmental, which are anticipated as a result of development. Our major tools of this effort are two-fold. First is the authority vested in the County Planning Commission to

issue Special Management Area permits. Such permits are in addition to the traditional zoning approvals which are needed in all areas of Maui. Secondly, in some cases, the State of Hawaii's Environmental Impact Statement procedures apply. This is basically a process in which an applicant is required to determine and disclose all environmentally significant impacts, and provide opportunity to the public for review and comment before a final decision is rendered by the approving agency.

(2) The County requires all hotel developers to provide employee housing, either through the actual development of housing units, the dedication of vacant land to the County of Maui to be used for such purposes, the donation of money for the development of employee housing, or a combination of the three. We are extremely active in the development of housing, and in fact, are probably the largest developer in the County of low and moderate income housing, both ownership and rental. To date, we have developed over 646 units for sale and 604 rental units, with an additional 295 being developed, and 233 in the planning stages.

(3) The issue of shoreline access is also an extremely sensitive one. Obviously, most major development is proposed along prime beachfront areas. This is the traditional attraction of Hawaii . . . the sun and surf. By the same token, these same areas are also highly sought after by our residents. We, therefore, utilize our planning process to require the dedication and development of beach parks and public access to the ocean in all major development. While developers strongly resisted these requirements in the past, they have now generally accepted them, and work closely with government to ensure that such parks and public access are compatible with development.

(4) The County of Maui was the first in Hawaii to establish a process for the protection of significant cultural and historical resources. The old whaling port of Lahaina, which was also the capitol of the kingdom of Hawaii at one time, was established as a historic district 25 years ago, with strict use and design controls. This approach was initially strongly resisted by property owners, merchants and developers. Today, it is recognized as an important resource and an integral part of development in Lahaina. If anything, the scope of this program. We also work closely with private historical and restoration groups, and provide mutual support and assistance to each other.

(5) We have established design standards and controls for all development, again with emphasis on shoreline projects. We have created an Urban Design Review Board, which makes its recommendations on project design prior to approval. We have requirements for landscaping and open space, in order to maintain an attractive urban environment.

I have touched very briefly on Maui ..... what we are, how we have developed, what our concerns are, and how we attempt to deal with the rapid development of the visitor industry on our island.

If any of the participants are interested in the technical details of our regulatory process, I have provided the Chairman with a copy of our Permit Register, which identifies the details of our permit and approval process.

In closing, I would like to summarize some of my thoughts regarding visitor development, viewed from the perspective of my experiences on Maui as Planning Director, Managing Director and a private planning consultant.

Governmental policies, as well as the procedures to implement these policies, cannot remain static. They must change in response to the community's needs and desires. For example, areas which may have resisted visitor-related development for many years, dramatically change their feelings when faced with significant economic changes, such as the closing of a major employer. Therefore, the planning process must be capable of responding to changes in community attitudes.

Secondly, if it is politically possible, major development of the visitor industry should be limited to large, integrated projects. There is no question that these projects are more successful aesthetically pleasing and economically viable than a proliferation of smaller projects. In addition, it is much easier to deal with a single large developer relative to issues such as housing, beach access, recreational amenities, open space and job training. In all honesty, our political system does not permit us to fully accomplish this and the result has been a certain amount of unattractive strip development between major resort centers.

An alternative might be for government to take a more aggressive role in the consolidation of smaller individually-owned parcels for future development. In this way, small owners can benefit economically, while at the same time creating opportunity for well-designed and planned projects. To date, we in Hawaii have not been able to accomplish this to any significant degree, except through redevelopment of blighted areas.

If we could go back 25 years, I believe that we would also be extremely careful about limiting development within the framework of desired population growth. Development should occur to accommodate healthy community growth, rather than the community growing to accommodate development.

It is also important to foster healthy and positive community attitudes towards the visitor industry among local residents. Stress between visitors and residents seems almost inevitable. Therefore, the planning process must ensure that the needs and desires of local residents are accommodated. Programs relating to shoreline access, housing, job training and historical and cultural preservation are key to maintaining a positive local perception of the visitor industry.

We have much that we can learn from each other. We can benefit from the good things that we have each done and from the mistakes we have made. By so doing, we can ensure that our islands, although many miles apart, can support each other in the development of a broadly-based economy which will further the goals and aspirations of our people.