

## **Statement in Opposition to the Veneer Mill and Co-Generation Power Plant Planned for the Old O‘okala Sugar Mill Site on the Island of Hawai‘i**

Statement of the Protect O‘okala Ad Hoc Steering Committee  
August 9, 2006  
O‘okala, the Island of Hawai‘i

The Protect O‘okala Ad Hoc Steering Committee speaks on behalf of sixty-three (63) of the community’s total of eighty-nine (89) households. The homeowners have signed a petition stating in whole:

*I, the undersigned, am a homeowner in O‘okala and oppose the construction of a veneer mill, co-generation power plant and plywood lay-up facility at the old O‘okala sugar mill site. These proposed industrial facilities will create unacceptable health, safety and welfare risks to the residents of O‘okala.*

In contrast, homeowners of only eight (8) households have signed a petition in support of the project. Seven (7) households abstained from signing either petition, and eleven (11) households either have not yet responded or have been unavailable to ask. (Signed petitions are available for review upon request.)

Tradewinds Forestry Products, the developer of this project, and many of its supporters claim that the establishment of this value-added forestry product business would improve the lives of citizens of the Hamakua Coast through the creation of a new diversified industry and the resulting jobs. But in reality, this project would do just the opposite to the residential community of O‘okala by drastically changing the quality of life now enjoyed.

A veneer mill, co-generation power plant, and plywood lay-up facility located at the old O‘okala mill site are unacceptable to the residents of O‘okala for the following reasons:

- 1. An industrial business located in the O‘okala residential community is incompatible with the spirit of the County General Plan’s standard that states, “industrial development shall maintain or improve the quality of the present environment” (14.4.4).** Despite Tradewinds’ claims that “this has been an industrial site for several generations,” there has not been an industrial business located in the O‘okala community for 20 years, the span of an entire generation. The truth is, O‘okala is no longer a company town, but rather a well-established, thriving residential community of 89 privately-owned homes. The industrial zoning of the old O‘okala mill site is left over from the by-gone sugar era and such use is no longer acceptable to the vast majority of O‘okala residents.
- 2. O‘okala homeowners do not want an industrial business located in their residential community. This position is consistent with the Hawai‘i County General Plan which states, “...noxious heavy industrial uses must be separated from residential and other incompatible uses” (14.4.1).** The vast majority of O‘okala homeowners oppose plans for a veneer mill, co-generation power plant, and plywood lay-up facility at the old

O‘okala sugar mill site because of unacceptable health, safety and welfare risks to the community, including, among other concerns, air quality (by far the greatest concern of our senior citizens; 30% of O‘okala residents are retirees), constant noise 24/7, increased traffic on Old Mamalahoa Hwy and logging truck traffic on the nearby haul cane roads, daily importation of coqui frogs and noxious insects, and the negative impact on property values.

**3. Concerns about Tradewinds’ business plan.** The Protect O‘okala Ad Hoc Steering Committee has serious concerns about the viability of Tradewinds’ business plan for the following reasons:

- For seven years, Tradewinds has been unable to secure financing for the mill component of their venture. They’ve been on the verge of default of their state land lease agreement for logging at Waiakea Timber Management Area because of lack of financing and performance.
- As citizens of the state, we are concerned with the lack of fiduciary responsibility on the part of the State of Hawai‘i in allowing Tradewinds to tie up the multi-million dollar asset at the Waiakea Timber Management Area with empty promises over the course of seven years.
- During the past year, as Tradewinds stopped negotiations with Kamehameha Schools for use of KS lands for their project and secured an option to buy the old O‘okala mill site (not yet purchased by Tradewinds), Tradewinds’ business plan shifted from a large veneer mill and true co-generation facility employing 400 people to a small veneer mill and oversized power plant employing only 100 people.
- The only major potential investor that Tradewinds has attracted is Rockland Capital Energy Investors, “an investment company focused on the acquisition, development, and optimization of companies and projects in the North America and European energy sector” ([www.rocklandcapital.com](http://www.rocklandcapital.com)). Rockland has no prior experience in wood mill co-generation facilities. Further, under the terms of the contract, Rockland has an option to invest the majority of the capital needed for Phase Two of the development. We ask, is this a true co-generation facility or a power plant that Tradewinds plans to build?
- Forest industry studies show that it is questionable whether or not there is enough veneer quality wood on the island to sustain a veneer mill (Market Study, Hawai‘i Agriculture Research Center).
- Trees on Kamehameha Schools’ Hamakua lands were planted expressly for chipping, not veneer, and according to forestry experts, <15% of the trees are veneer quality wood. Further, Tradewinds has not secured the contract to log any of these trees to date.
- Of the many forestry experts that the ad hoc committee has consulted on this issue, not one has confidence in Tradewinds’ business strategy.
- These observations beg the question: Is Tradewinds building a viable veneer mill with a true co-generation facility or an unsustainable mill with an oversized power plant? **We believe the likely outcome of this venture will be a failed veneer**

**mill, and the residents of O‘okala will be left with a large power plant located in their community.**

- 4. The ad hoc steering committee clarifies that this opposition is only in regards to the location of this venture.** We support development of a healthy, diversified forest industry on the island, but oppose Tradewinds’ industrial project being built in a residential community. There are at least two alternative locations available including offers made by Kamehameha Schools and Pacific Rim Energy Partners at Pepe‘eoko to provide adequate land for Tradewinds to build a veneer mill. Note that for the past several years while Tradewinds was negotiating with KS for land to build their project, there was no protest from O‘okala residents.
- 5. The Protect O‘okala Ad Hoc Steering Committee is not interested in negotiating with Tradewinds on the minutia of the project such as noise levels or amount of truck traffic or deal sweeteners such as mentoring projects or building of a library and café.** Simply put, we hold the position that it is unacceptable for an industrial project of any size or scope to be located in the middle of the O‘okala residential community.

**THEREFORE**, we urge all parties involved in this venture including elected officials, government regulatory agencies, investors, citizens and community leaders in other parts of the island, union leaders, and Tradewinds’ president Don Bryan, to do all in their power to stop plans for this industrial venture at the old O‘okala mill site and support moving it to a suitable location away from people’s homes.

**Further, we remind Mr. Bryan that at the informational meeting he held in O‘okala on June 27, 2006, he stated to the crowd, which included our mayor, county councilman, state representative, and the governor’s liaison, that if the O‘okala community did not want the mill, Tradewinds would leave O‘okala. On behalf of the majority of homeowners in O‘okala, we are stating unequivocally that this project is not wanted in our residential community.**

In addition, should the project continue moving forward as planned, the Protect O‘okala Ad Hoc Steering Committee, on behalf of the O‘okala community, is prepared and committed to vigorously seek recourse with the government through the public input phases of the permitting process as well as other activities.

**IN SUM**, an industrial business has no place in a residential community. We should all be working together, putting our energies toward smart, innovative development of a diversified forest industry, rather than subjecting a peaceful residential community to unacceptable health, safety and welfare risks associated with industrial business.

*Prepared by the Protect O‘okala Ad Hoc Steering Committee:  
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