

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)
WEST BEACH DEVELOPMENT CORP.)
For Reclassification Of Certain)
Lands Situated at Honouliuli, Ewa,)
Island of Oahu)
_____)

DOCKET NO. A76-421

DECISION AND ORDER

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WEST BEACH DEVELOPMENT CORP.) DOCKET NO. A76-421
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DECISION

This matter, being a proceeding pursuant to Section 205-4 of the Hawaii Revised Statutes (HRS), to consider a Petition to amend District Boundaries and reclassify from Agricultural to Urban approximately 830 acres of land situated at Honouliuli, Ewa, Island of Oahu, State of Hawaii (hereinafter "subject property"), was heard by the Commission at Waipahu, Oahu, on April 12, 13 and 14, 1977. The West Beach Development Corporation ("Petitioner"), the Department of General Planning of the City and County of Honolulu, the Department of Planning and Economic Development of the State of Hawaii, the Shoreline Protection Alliance and the Ewa Beach Aliis Athletic Club were admitted parties in this Docket. The Petition to Intervene filed by Life of the Land and Scott Nakagawa, on March 28, 1977, was, after hearing arguments on the motion, denied by the Commission. The Department of Agriculture of the State of Hawaii was also admitted as a party but on April 6, 1977 filed withdrawal as a party from the proceeding.

The Commission, having duly considered the record in this Docket, the Proposed Findings Of Fact And Conclusions Of Law submitted by the Petitioner, the Proposed Finding Of Facts And Conclusions Of Law and Response To Petitioner's Proposed Finding Of Facts, Conclusions Of Law And Decision And Order submitted by the Department of Planning And Economic Development, the Proposed Finding Of Facts And Conclusions Of Law and Objections To Petitioner's Proposed Finding Of Facts And Conclusions Of Law submitted by the Ewa Beach Aliis Athletic Club, and the Response To Petitioner's Proposed Finding Of Facts And Conclusions Of Law And Order submitted by the Department of General Planning, hereby makes the following findings of fact and conclusions of law.

FINDINGS OF FACT

1. The subject property, owned in fee simple by the Estate of James Campbell, consists of approximately 810 acres of land situated at Honouliuli, Ewa, Oahu and identified by Tax Map Key designations and containing areas as follows:

<u>Tax Map Key</u>	<u>Area (Acres)</u>
9-1-14: 2 (portion)	121.326 (est.)
9-1-15: 3	165.230
9-1-15: 4 (portion)	417.900 (est.)
9-1-15: 6	2.700
9-1-15: 7	17.200
9-1-15: 9	36.550
9-1-15:10	41.163
9-2-03: 3	7.009
9-2-03: 7	.920

The northern boundaries of the subject property generally follow along Farrington Highway, except for an area which abuts a pocket of Urban District lands (the Honokai Hale and Nanakai Gardens residential subdivisions) located along Farrington Highway. The eastern boundaries of the subject property abut the Agricultural District. These adjoining Agricultural District areas are either in cane production or are undeveloped lands. The southern boundaries of the subject property abut the existing barge basin in the Urban District. The western boundaries of the subject property follow along the shoreline from the barge basin to Farrington Highway. The Hawaiian Electric Company Kahe Power Plant site is located approximately .5 mile northwest of the subject property. The Campbell Industrial Park lies approximately .7 mile to the southeast. A parcel of land of approximately 20.002 acres, identified by Tax Map Key No. 9-1-14:8, was originally included within the property which is the subject of this Petition, but the Commission determined that parcel is already within the Urban District and it was therefore excluded from consideration in this Petition.

2. The Petitioner is a Hawaii Corporation. It has obtained development rights for the subject property from the Estate of James Campbell, fee simple owner of the subject property. The petition includes a letter of authorization from the fee simple owner, dated November 5, 1976.

3. The subject property is within the Agricultural District, except for parcel 9-1-14:8 which is in the State Urban District. Approximately 580 acres of the subject property are in sugarcane production, approximately 240 acres are

vacant, and the remaining 10 acres (Tax Map Key 9-1-15:10 (portion) contain 5 single-family residential units. The subject property is contiguous to an existing Urban District only along a portion of its northern boundary and at the southeastern tip of the property.

4. The City and County of Honolulu Interim Zoning Control Ordinance (No. 77.9) designation for the subject property is Agriculture, Residential, Industrial and Park. The Interim Zoning Control Ordinance map indicates industrial use for the area surrounding the existing barge basin, and residential use for the northerly shoreline portion of the subject property. This map, adopted by City Council Ord. No. 77.9, February 1, 1977, is a guideline until new development plans are prepared and adopted to implement the new General Plan Statement of Objectives and Policies adopted by City Council Resolution No. 238, January 18, 1977. The City and County zoning designation for the subject property is Agriculture and Industrial. Resolution No. 238 also designates the Ewa-Makakilo District, where the subject property is located, as a secondary urban center with a projected population of 104,000, and designates West Beach as appropriate for resort development. Portions of the property lie within the Shoreline Special Management Area.

5. The subject property is generally flat and extends from the shoreline to the northern boundary to about an 80 foot contour. The Soil Conservation Service, Soil Survey Report for Oahu, indicated the following types of soil at subject property:

Coral outcrop, Ewa silty clay loam, moderately shallow, 0 to 2 percent slopes, Jaucas sand, 0 to 15 percent slopes, Keaau clay, 0 to 2 percent slopes, Keeau clay, saline, 0 to 2 percent slopes, Lualualei extremely stony clay, 3 to 35 percent slopes, Lualualei clay, 2 to 6 percent slopes, Lualualei stony clay, 0 to 2 percent slopes, Lualualei stony clay, 2 to 6 percent slopes, Mamala stony silty clay loam, 0 to 12 percent slopes. The shoreline area consisted of an emerged calcareous reef with limited pockets of sandy beaches.

The Land Study Bureau detailed land classification for Oahu identified the master productivity rating of subject property as "A" (104 acres), "B" (418 acres), "C" (58 acres), and "E" (240 acres), with 10 acres in urban use. Of the 580 acres in sugarcane production, 500 acres had a sugarcane productivity rating of "a" and 80 acres having a rating of "b".

6. The rainfall over subject property is approximately 20 inches annually. Drainage in the general area is rather unique because normal surface runoff is readily absorbed by the porous coral substrata so that much of the discharge never reaches the ocean by overland runoff. Surface water runoff is primarily storm water runoff. Based on U.S. Corps of Engineer floodmaps for the area, no flooding problems are anticipated for the subject property. Areas within 1/2 mile of the shoreline are subject to tsunami inundation. Generally the flooding tide moves along-shore toward the southeast and

the ebbing tide moves alongshore toward the northwest. Trade-winds prevail most of the time, although kona windflow from a southeasterly direction may be expected 5 to 8% of the time.

7. The site conditions at West Beach relevant to resort activity are: the topography is level; ocean waters are generally calm and clear; annual rainfall is less than that of Waikiki; and cool tradewinds prevail. Because of the lack of sandy beaches, the Petitioner has proposed to construct a series of lagoons fronting the hotels with sandy beaches surrounding the lagoons, much like the natural lagoons existing at Kamokila Campbell's former residence.

8. The Petitioner proposes to develop the subject property as a resort-residential complex, which will include a 170 acre, 18-hole championship golf course, tennis complex, marina, park and open areas, school and commercial acres. The acreage breakdown for the various uses is as follows:

Hotels, Tourist, Recreation & Commercial	125 acres <u>+</u>
Marina	25
Golf and Tennis	170
Residential	300
Commercial	15
Public Parks, Greenbelt & school	110
Major Circulation and Open Space	<u>85</u>
	830 Total Acres

9. The West Beach project will include approximately 10 hotel sites on 125 acres with a maximum capacity of 8,000 rooms. Hotels will vary in size from 400 to 1,200 rooms, with heights ranging from approximately 70 to 160 feet. Hotel sites

will generally be located along the shoreline areas. As part of the resort development, a recreation and commercial area of approximately 25 acres will be developed in the central portion of the hotel complex. It will include attractions such as marine life shows, Hawaiian cultural displays, shops, and restaurants. A marina will be constructed for commercial and private boats, and will include support facilities such as shops and restaurants. The marina will adjoin the Department of Transportation's proposed deep draft harbor.

10. The Petitioner proposes to develop approximately 3,250 residential units on 300 of the 810 acres which are the subject of this Petition for an overall density of approximately 11 units per acre. A variety of residential dwelling units are proposed with about one-half of various forms of lower density single family detached, single family attached, patio homes and townhouses. The other half are to be low rise condominiums and garden apartments as well as some mid-rise condominiums at locations closer to the resort and marina facilities. Preliminarily, the single family detached and attached units are to be developed under the zero lot line concept on lots averaging about 4,000 square feet. These units are to be primarily 3-bedroom, 2-bath units with some 4 bedroom, 2-baths and will range in size from 1,100 square feet to 1,400 square feet of living area, and will be priced from \$69,000 to \$99,000 in 1977 dollars. The proposed townhouse units are to be 2-bedroom and 3-bedroom units arranged in clusters of four and six units per building. The 2-bedroom units will contain approximately 800 square feet and the 3-bedroom units having about 1,000 square feet, and will be marketed at prices beginning

at \$54,000 and \$59,000, respectively, in 1977 dollars. The garden apartment units are to be three-story walk ups using the stack concept. The 2- and 3-bedroom units will contain floor areas of 750 and 900 square feet, respectively, and will be marketed at prices beginning at \$46,000 and \$51,000, respectively, in 1977 dollars. Condominium units, because of their higher density concept, will be 1- and 2-bedroom units ranging in size from 600 square feet to 750 square feet, and will be marketed at sales prices beginning at \$42,000 and \$46,000, respectively, in 1977 dollars. The residential development is an integral part of the West Beach development since the resort-residential complex has been planned along the same lines as the Kaanapali development. The residential development will also aid in financing the total project. The residential units will be sold in fee simple. Campbell Estate has stated on the record that its policy is to remove itself from residential development and that it will exchange land with the developer to allow the developer to sell the subject property in fee.

11. The residential portion of West Beach is not designed for low income families. Because of the nature of the development, with amenities such as the golf course, parks and resort facilities, the residential units abutting these facilities will be expensive. The housing will be designed to attract middle and upper-middle income families, "empty nesters" and persons who wish to live closer to their place of employment, and persons who are attracted by the amenities of the West Beach resort complex. Approximately 10% of the total units will be programmed for the lower and moderate income market, however, if

state or federal programs are available to aid lower or moderate income families. The Hawaii Housing Authority has indicated an interest in the project and may be able to provide assistance to the project.

12. The proposed golf course will be located mauka of the resort area and will serve as a visual as well as functional buffer between the resort and the residential community. The 18 hole championship course and tennis center will be available for play by both tourists and local residents. Areas to be used for public facilities include forty acres for parks and additional acres for an elementary school site and greenbelt.

13. The Petitioner intends to develop the proposed resort-residential complex in ten phases, each of which can be treated as one year of time for planning purposes. The planning phases may be accelerated, however, if governmental permits such as zoning, environmental impact approvals, shoreline permits, are obtained at a faster pace and the market demand for hotel rooms and residential units increases faster than projected. The Petitioner proposes that the 18 hole championship golf course be the first improvement developed, and that by phase five, there will be approximately 4,000 hotel rooms and 1,300 residential units, both condominium as well as single family dwellings. Total acreage utilized by the end of phase five will be about 440 acres. The bulk of the acreage utilized will be for the golf course (170 acres), parks and greenbelt (62 acres) and major circulation (38 acres) within subject property. The subject property is all under

single ownership, and there are no persons residing on the property other than caretakers, so there will be no problem of displacement or relocation of people.

14. Farrington Highway, which abuts the subject property, is a four lane divided highway. The distance from Honolulu airport to West Beach is approximately 19 miles and the driving time at off peak hours is about 25 minutes. The development at West Beach is expected to generate approximately 27,400 (12,400 + 15,000) external auto trips per day. Of this, some 22,500 (9,000 + 13,000) will utilize Farrington Highway south of the project area. The remainder will be accommodated by Farrington Highway north of the project area and the proposed connector street south to the Ewa Plain. The average daily traffic capacity of Farrington Highway is estimated to be 50,000 vehicles per day, assuming level of service "E" and for a four-lane divided highway with a lane capacity of 1,500 vehicles per hour based on 10% peak-hour volume and 60% and 40% directional split. The Statewide Transportation Planning Branch's preliminary projection for 1995 24-hour volume for Farrington Highway fronting the project area is 27,500. Adding the anticipated 22,500 trips generated by the West Beach project, the total trips per day are estimated to reach some 50,000 vehicles. It should be pointed out that much of the traffic generated by the resort facilities would occur during off-peak hours. At-grade signalized intersection designs based on 1995 projections would require 70% to 80% "green control" time for Farrington Highway. The demand of the 20% to 30% "green control" for the proposed West Beach access roads would not

place a burden on the project during the early phases of the development. Any increases in highway volume can be accommodated with an accelerated program by the developer to construct an interchange system if required to serve the two access points on Farrington Highway when the project is completed. The highway capacity and projected volume for Farrington Highway appears adequate to accommodate the ultimate development of the West Beach project. The Statewide Transportation Planning Office of the State Department of Transportation has reviewed these traffic statistics and concurs with said results.

15. The permanent solution for sewage disposal for the estimated 2.7 MGD average daily flow for the West Beach project is connection to the City's Honouliuli Sewage Treatment Plant and outfall scheduled for completion in 1981. The plan for the collection of sewage from the project is to construct collector sewers to a sewage pump station located in the lower area of the project site. From there the collected sewage will be pumped into an interceptor sewer for discharge into the Honouliuli Treatment Plant. The total distance for the pipe system from West Beach to Honouliuli is approximately 6 miles. The estimated cost at today's dollars is \$3,670,000. The West Beach development is, however, scheduled for completion over a ten-year period. The first phase of development for a tourist recreation and commercial area, two hotels, a golf course, golf and tennis club, and residential units is planned for occupancy by 1980, which is prior to the scheduled completion date of the Honouliuli sewage treatment plant. Because of this

scheduling, an interim solution will require the construction of a temporary secondary sewage treatment plant with the effluent to be used to irrigate the planned golf course. This interim proposal has been discussed with the Division of Sewers of the City and County of Honolulu and the State Department of Health, both of which have no objection provided the standard requirements for temporary sewage plants are followed. The temporary secondary sewage treatment plant will have a capacity of approximately 1.0 MGD, and is estimated to cost the Petitioner \$1,610,000 in today's dollars. Upon completion of the City's treatment plant at Honouliuli, the temporary sewage treatment plant will be abandoned and sewage from West Beach will be piped to Honouliuli in keeping with the permanent solution for sewage disposal from the project.

6. When fully developed, the West Beach Project will require approximately 5.1 million gallons of water per day. Of that amount, about 4.5 million gallons per day will be required for domestic use. The other 600,000 gallons will be required for irrigation of the golf course area. For irrigating the golf course area, water will be drawn from the existing Pump 10 wells which are located on the project site and presently used for irrigation of the canefields. Although this existing source has a chloride content in excess of the standard for domestic uses, the water is acceptable for irrigation. For domestic use, the Board of Water Supply has assured the developer that water is available for the West Beach Development from either its planned wells at Honouliuli or from existing plantation wells. According to the Board of Water

Supply's master plan, approximately 9 million gallons per day are anticipated from the future Honouliuli wells. An alternate source for domestic use as recommended by the Board of Water Supply are existing wells being presently pumped for cane irrigation. These include wells located on Campbell Estate land at Ewa Pumps No. 2, 5, 6, 15 and 16 which draw a total of 35 to 38 million gallons per day of potable water for irrigation of cane. The West Beach requirement of 4.5 million gallons could be drawn from this existing source and piped to the project site. The 580 acres of cane land at West Beach is presently being irrigated with approximately 5.8 million gallons per day. The hotel-residential development upon completion will use about 5.1 million gallons of water per day. The net result is a reduction in water use of about 700,000 gallons per day. In addition to the off-site cost for the wells, pumps, transmission mains and appurtenances, the Petitioner, at its own cost, will construct water storage reservoirs and mains to service the development. The preliminary plan is to construct one 3 million gallon reservoir initially and to construct a second reservoir of 4 million gallon capacity in the latter phases of the project. The construction costs of the reservoirs are estimated in 1977 dollars, to be \$1,000,000 and \$1,200,000, respectively. In addition to the wells, reservoirs, pumps, transmission lines and appurtenances, a complete distribution system will be constructed in phases to service the overall hotel-resort, residential, recreation project.

17. West Beach is located below several well-defined drainage basins. Existing improvements along Farrington

Highway, Nanakai and Honokai Hale Subdivisions channelize the flow from these drainage areas into culverts and lined channels. Presently, storm runoff flows through the canefield area of the subject property in unimproved channels and depressions. Erosion occurs during large storms, but as the area is generally dry and these storms occur infrequently, they have not necessitated improvement. In similar manner, the major drainage system will consist of grassed drainageways through the proposed golf course as well as designated green belt areas. Lining of these drainageways may be required where velocities are erosive. This may occur mainly in the steeper sections of the project site. The flatter portions of the golf course will be designed to pond and retain runoff from intense storms. The storm runoff will be discharged into the ocean at a controlled rate within natural drainageways or, if necessary, within improved channels. Petitioner's Exhibit O indicates that the proposed development will increase storm water runoff by 27%. In addition to the major drainageways, all drainage systems within the streets and project areas will be designed in accordance with City and County standards.

18. The Customer Engineering Department of the Hawaiian Electric Company has indicated that initial electric power can be provided from the existing overhead 12,000 volt system which runs through the subject property. For the total development, the utility company will bring in two 46,000 volt line systems and construct a substation. For initial telephone service, the Outside Plant Engineering Section of Hawaiian Telephone Company has indicated that facilities would be available from the overhead system on Farrington Highway. For the total development, the project would be

serviced from the existing telephone system located along the railroad right-of-way near the Barbers Point Naval Air Station.

19. Visitor growth studies for the State of Hawaii have indicated a strong potential for future visitor growth. The Governor's Tourism Planning Advisory Committee has forecasted a 1985 level of visitor arrivals of 4.7 million. The Honolulu Department of General Planning has projected a potential of 7.35 million visitors by 1985. Petitioner's consultant, Harris, Kerr, Forster and Company, projected visitor arrivals of 5.2 million and a need for 13,828 additional hotel rooms on Oahu by 1985. As part of its State Plan Project, the Department of Planning and Economic Development projected in July 1976 that 10,000 additional hotel rooms would be needed on Oahu by 1985, the Governor's Tourism Planning Advisory Committee predicted in January of 1976 that there will be a need for 9,200 additional hotel rooms on Oahu by 1985, and the City and County of Honolulu Department of General Planning predicted in January of 1977 that 4,500 to 6,750 additional hotel rooms on Oahu will be needed by 1985. These room deficits may increase if planned projects do not materialize or hotel properties are retired. The Waikiki Special Design District Ordinance which was recently enacted has curtailed new hotel development in Waikiki. Although Neighbor Island room counts are expected to grow at a greater rate than Oahu's, Oahu is expected to continue to be the primary staging area for Hawaii visits. This is due not only to the strength of the ingrained tour pattern, but is also based on several strong underlying factors resulting from Oahu's larger

population and advanced development. Oahu is easier to reach, air fare is less (except to the Island of Hawaii), and a greater variety of visitor attractions are available on Oahu. A comprehensive mix of attractions such as the Polynesian Cultural Center, Sea Life Park, The Pearl Harbor Cruise, etc. and a breadth of dining and night club opportunities, all of which are not immediately available on the Neighbor Islands. Also, Oahu resorts may, in the future, be needed by Oahu's residents as job-generating entities. Several recent studies have determined tourism to be the only apparent major source of new jobs on the horizon.

20. It has been estimated that expenditures of visitors staying at a fully operational West Beach resort complex would be approximately \$250 million per year. The following is a projection of expenditures in Hawaii that would be derived from visitors staying at West Beach:

<u>Phase</u>	<u>Rooms</u>	<u>Double Occupancy Factor</u>	<u>Average Occupancy</u>	<u>Annual Visitors Days</u>	<u>Expenditure Per Visitor Day*</u>	<u>Total Visitor Expenditure*</u>
1	-	-	-	-	-	-
2	1,600	1.9	60%	665,760	\$56.00	\$ 37,282,560
3	2,400	1.9	65	1,081,860	56.00	60,584,160
4	3,200	1.9	70	1,553,440	56.00	86,992,640
5	4,000	1.9	75	2,080,500	56.00	116,508,000
6	4,800	1.9	80	2,663,040	56.00	149,130,240
7	5,600	1.9	80	3,106,880	56.00	173,985,280
8	6,400	1.9	80	3,550,720	56.00	198,840,320
9	7,200	1.9	80	8,994,560	56.00	223,695,360
10	8,000	1.9	80	4,438,400	56.00	248,550,400

*(These estimates are in 1976 dollars--no inflation effects are included.)

21. It is also estimated that direct tax revenues accruing to the State from a fully operational West Beach resort

complex would be in excess of \$16 million per year. The following tabulation is a projection of direct tax revenues accruing to the State and county as a result of the West Beach project:

<u>Phase</u>	<u>General Excise Taxes</u>	<u>Real Property Taxes</u>	<u>Personal Income Taxes</u>	<u>State Unemployment Compensation Taxes</u>	<u>Total Taxes</u>
1	-	\$ 65,000	\$ 6,800	\$ 2,400	\$ 74,200
2	\$1,491,300	715,000	134,300	47,400	2,388,000
3	2,423,400	1,115,000	194,700	68,700	3,801,800
4	3,479,700	1,515,000	224,800	86,400	5,305,900
5	4,660,300	2,265,000	293,700	103,700	7,322,700
6	5,965,200	2,865,000	342,100	120,800	9,293,100
7	6,959,400	3,715,000	441,100	156,800	11,272,300
8	7,953,600	4,185,000	564,400	199,000	12,902,000
9	8,947,800	4,935,000	615,000	217,000	14,714,800
10	9,942,000	5,885,000	688,100	242,900	16,596,000

22. In its January 1976 report to the Department of Planning and Economic Development, the Governor's Tourism Planning Advisory cited the DPED's projections for new jobs needed for the Hawaiian economy for the next ten years. The finding by DPED was that a minimum of 6,000 and a maximum of 9,400 new jobs had to be provided each year to the Hawaiian economy. The DPED's report further found that approximately 48% of the new jobs must be provided by the visitor industry. This meant a minimum of 2,880 and a maximum of 4,512 new visitor industry jobs had to be provided each year for the next ten years. The Petitioner projects that the West Beach Development, when completed, could provide in direct and indirect hotel employment, resort and non-resort related employment, approximately 8,100 new jobs, 1,650 of which will be part-time or casual employment positions. The Petitioner has represented that it will use its best efforts consistent with county, state

and federal employment laws, to employ the labor force from the Waianae Coast to Ewa, Makakilo and Waipahu areas that are in need of employment. The West Beach development will also provide new construction jobs for the construction industry whose workers now have a very high rate of unemployment. About 35% of the construction industry workers were presently unemployed. A mason union representative testified that its union had forty-five percent of its members on the unemployment rolls and that over 500 of their members lived in the Waianae, Makakilo, Ewa Beach and Waipahu areas.

23. The current population estimates by the City and County Department of General Planning indicate that Oahu had a 1975 population of 704,403 people of which 21,800 lived in the Ewa-Makakilo area. The total island population was housed in approximately 210,000 dwelling units with an average of 3.22 people per unit. The State Department of Planning and Economic Development, in its federal-state cooperative program for population, projected on Oahu population of 818,525 for 1985. Assuming an average household size of 3.22 people per dwelling unit, there will be a need for approximately 35,000 new units just to provide for the population growth projected for 1985. Additionally, new units would be needed to replace existing substandard housing and to relieve overcrowding conditions. The Department of General Planning, however, projected a need for 270,000 units by 1985. With the 210,000 units existing in 1975, total new units for the ten-year period will be approximately 60,000 units. A good percentage of these units are targeted for the Ewa-Makakilo area under

the newly adopted General Plan for the City and County of Honolulu. This area, identified as the "Secondary Urban Center," is targeted for 10% of the island's future population by the year 2,000. In 1975, Ewa-Makakilo had only 3.1% of the population. Using an arbitrary 5% guideline and a 1985 Oahu population forecast of 818,000, this area should have a population of 40,900, an increase of approximately 19,100 people by 1985. Using an average of 3.22 people per dwelling unit, the Ewa-Makakilo area should provide approximately 5,962 units over the next ten years. The 3,250 units proposed for West Beach on 300 acres can help in providing for this expected demand. Although there are presently 14,888 housing units planned for development in the Ewa Judicial District (tax zone 9) in the near future, which would require 2,481 acres and house approximately 59,500 persons at an average household size of 3.22 people per dwelling unit, the Ewa Judicial District is a much larger geographical area than the Ewa-Makakilo area which is targeted as a Secondary Urban Center under the new General Plan and includes such areas as Waipahu, Mililani, and Wahiawa. There may already be enough land classified as Urban within the Ewa-Makakilo area to meet the housing need projected for 1985 if fully developed. Much of that land is currently in sugar cane production. As stated in a prior finding, however, the residential complex for the West Beach project is an integral part of the resort hotel development plans.

24. With regard to public services available in close proximity to the subject property:

The State Department of Education does not at this time foresee any need for additional intermediate or high

schools to meet the needs of the prospective students living in the West Beach area. Students in these grade levels will be accommodated at the nearby Ilima Intermediate School and Campbell High School. An elementary school site will, however, be set aside within the subject property.

For services from the police department, the West Beach area is patrolled by both the Pearl City station and the Waianae substation.

For fire protection, the Nanakuli and Makakilo fire stations would be available for the subject property.

25. The total on and off-site construction work for West Beach estimated in 1976 dollars to be approximately \$55,000,000. The total West Beach project cost in 1976 dollars is estimated to be \$800,000,000. The Petitioner has spoken to hotel industry operators who have expressed an interest in the West Beach project. The Petitioner will permit hotel operators, other than itself, to build their hotels on subject property. Any hotel to be built by Petitioner will probably be managed by outside hotel management corporations. The Petitioner plans to construct hotels on the subject property if there are no other hotel operators who want to initially come into the project. Because of the high cost of development for a resort hotel project, and because the return on investment for resort-hotel development is hard to realize in the initial phases of development, the financial risks involved in the West Beach development to be assumed by the Petitioner are considerable. The Petitioner, through its executive-vice president, Mr. Herbert K. Horita, however, has a long record of successful

achievements in the development of residential, industrial, commercial and hotel properties. The Petitioner has considerable experience in financing the numerous types of projects already completed. The uncontradicted testimony of Petitioner, indicated that their corporate organization does sixty (60) to eighty (80) million dollars worth of financing per year. The Petitioner also expects the residential development sales to aid the West Beach resort-hotel development financially by paying for some of the heavy front-end cost. It appears reasonable to conclude that the Petitioner has the knowledge and experience to develop the West Beach project.

26. The Petitioner did not present any feasibility studies on other proposed resort-hotel sites on the Island of Oahu. All but 150 of the 5,078 additional hotel rooms which are currently planned for Oahu are to be located in Waikiki, which will raise its total number of hotel rooms from 23,627 to 28,555. The continuing development of hotel rooms in Waikiki reflects a strong visitor demand for the concentrated urban activities and amenities which are generally not found at rural Oahu's sites. The City and County of Honolulu Department of General Planning has found that West Beach along with Haleiwa and Mokuleia, would have the highest required investment and lowest rate of return of six potential sites at which a modular 3,000 room hotel development could be located. The fact, however, that the new General Plan for Oahu has selected West Beach as one of the resort-hotel sites and the recommendation, based on marketing and compatibility studies by Harris, Kerr, Forster and Company which assisted the

Department of General Planning in their feasibility studies for off-Waikiki Oahu resort developments, that West Beach is a site well-suited for resort-hotel development, provides convincing evidence that the West Beach project is reasonable. Mr. Lipp of Harris, Kerr, Forster and Company also testified that when the qualitative items of West Beach are compared with other sites, it is superior to the other areas and from a marketing standpoint, provides a higher potential for attracting visitors than the other sites. Mr. Lipp concluded, and this Commission finds it reasonable to conclude, that West Beach has competitive advantages over other proposed off-Waikiki Oahu resorts.

27. The withdrawal of approximately 580 acres of sugarcane acreage will not have any adverse effect upon the agricultural production of Oahu Sugar Company, Ltd. The acreage being withdrawn are the lowest yield acreages for Oahu Sugar. The location of subject property, approximately 13 miles from the mill, and the rocky clay silt soil make the 580 acres among the highest operating cost fields. That acreage represents 3% of Oahu Sugar Company's land, 1.7% of Oahu land in sugar production, and less than one-half of 1% of the total cane acreage in the State. The withdrawal of the acreage from cane production would not materially affect Oahu Sugar's employment rolls. The withdrawal of these low producing and high cost fields will not be detrimental to Oahu Sugar since there is a concerted effort by Oahu Sugar to withdraw all sugar fields with low yields and high operating costs. Because of the present severe economic imbalance

of supply and demand for sugar, Oahu Sugar Company is making every effort to increase production on lesser acreages and lower operating costs. In the long run, this program may stabilize prices and ensure the viability of the sugar industry. Further, the fact that the Land Study Bureau classifies certain types of soils as being rated "prime" or class "a" or class "b" for sugar cane production does not in and of itself establish that said lands are in fact productive and economical in that there are many other variables to consider other than just the Land Study Bureau's soil classification. Sugar production on the subject property has never exceeded 9 1/2 tons per acre while Ewa plantation consistently has produced 15 tons per acre. Fifteen (15) tons per acre would indicate that the subject property is "prime" agricultural land, but nine and one-half (9 1/2) tons per acre does not indicate "prime" lands for sugar production. The proposed development will have no adverse effect upon the agricultural resources of the area.

28. There are no significant adverse effects upon the natural, environmental, recreational, scenic, historic, or other resources of the area expected to result from the proposed West Beach resort-hotel and residential development. Of the 830 acres to be developed, 580 acres have been in sugarcane production for about fifty years and the remaining 250 acres, except for the late Kamokila Campbell's property are vacant lands.

A. Use of property. Of the total 810 acres requested to be placed in Urban District, 170 acres will be used for a golf course, 110 acres for parks, greenbelt and school and

85 acres for major circulation and open space. When fully developed, West Beach would have 365 acres out of 810 acres of the subject property that preserve open space, increase the growth of flora and fauna and preserving open space for circulation of air and creation of buffer zones between residential and other activities. The 365 acres do not include the 300 foot setback along two miles of ocean front with the lagoons fronting the hotels.

B. Lagoons. The proposed lagoons are to be located mauka of the present shoreline with emphasis in the engineering of the lagoons placed on providing for constant circulation of the sea water. The only restructuring of the shoreline would be to open up some of the basaltic barriers fronting the ocean to permit the ocean water to flow in and out of the lagoons. This action will not be taken without obtaining the approvals of the Corps of Engineers and the Shoreline Management Agency after an environmental impact assessment and, if required, preparation of an environmental impact statement.

C. Setback lines. A setback of 300 feet from the shoreline is reasonable. The placement of small structures such as public comfort stations, food concessions, shower facilities or pools for the convenience of the visitors and local population using the lagoons and beaches is also reasonable. Appropriate permits must be obtained from the responsible county agency.

D. Flora and Fauna. The current inventory of flora and fauna on the West Beach project site is limited to plants and animals (birds) which are not presently considered endangered. The lack of adequate feeding or breeding habitats for those species considered endangered are for the most part, responsible for this lack in any significant numbers. A more significant factor is the fact that over the years, the lowland native vegetation of subject property has been destroyed in man's attempts to use the land for his particular use. Grazing of domestic animals and tilling of the soil for cultivation has removed nearly all of the endemic vegetation and the current inventory of birds are for the most part, introduced species. The shoreline habitat does not lend itself to provide feeding or breeding locales for the migratory birds in any great numbers and any resulting improvements will not have any significant effect on the bird population there. There are two plants which have been found in the vicinity of the subject property that are included on the Department of Interior June 16, 1976 list of endangered and threatened species. One of these plants, Euphorbia Skottsbergii, variety Kalaeloana, was considered extinct until rediscovered. Prior to any clearing or grubbing of subject property, reconnaissance surveys to further investigate whether any endangered species are present will be done by the Petitioner and should establish whether Euphorbia Skottsbergii, variety Kalaeloana, is found on the subject property, determine its range and numbers, and consider and provide for its protection.

E. Air pollution. The proposed West Beach project will not be a source of air pollution for the surrounding areas. The normal prevailing winds pass from mauka to makai

and will sweep any pollutants towards the sea. The areas surrounding West Beach, such as Campbell Industrial Park, with its oil refinery, cement plant and feed lot facility may constitute at times an annoying source of pollutants and odors to the West Beach complex. In 1975, the Kahe Plant was exceeding Federal Health standards for sulfur oxides, and the winds may carry the emissions from Kahe to the proposed development 4 to 5% of the time (all hours, all month). The evidence adduced on the issue does not, however, indicate that the problem is of such a magnitude that it cannot be resolved or that the development should not occur. Planning of the resort has taken into consideration the air pollutants surrounding the project site and with the buffer zones created both by water (deep draft harbor) and cane fields adjacent to the subject property, the air quality issue appears to be minimal.

F. Noise Evaluation. There is a potential for noise and its disturbing effect upon the West Beach development from the aircraft of Barbers Point Naval Air Station (BPNAS). The industrial noise sources from the Campbell Industrial Park is not of sufficient magnitude to affect the West Beach site. The BPNAS conducted a noise study in 1976 to determine the effects of their operations both on BPNAS and in the immediate vicinity. The study concluded that there were some concerns of potential noise impact for a portion of the West Beach project. Captain Nystedt testified that Navy was not opposing the West Beach project, but was merely noting to the planning authorities certain compatibility problems.

Moreover, the Air Installation Compatible Use Zones (AICUZ), Federal Register Vol. 42, No. 2 p. 773, as amended in January, 1977, mandates the Secretaries of the Military Departments to develop, implement and maintain a program to investigate and study all air installations and to develop a program consistent with Section 256.4 of said Rules and Regulations which requires, among other things, provision of sound suppression equipment and adjustment of traffic patterns to avoid built-up areas in order to reduce or control the generation of noise from flying and flying-related activities, and requires Secretaries of the Military Departments to work with local governments and local planning agencies to assist them in developing compatible planning and development in the vicinity of military air fields.

G. Accident Potential Zone. According to Captain Nystedt, the AICUZ Rules and Regulations, as amended, in January, 1977, have ruled out resort-type and residential development on certain portions of the subject property. At the time this petition was filed on November, 1976, the AICUZ Rules and Regulations relating to safety, did not interfere with the West Beach development. The 1977 amendment required the accident potential zone to be extended outward from the end of the runway an additional 2,000 feet. This has resulted in placing certain portions of the marina and residential area of the West Beach project in the accident potential zone. The Commission reiterates the pertinent provisions of Sections 256.4 and 245.5(c) of the AICUZ Rules and Regulations and finds that until further studies in accordance with Section

256.3(c)(iii) of said Rules and Regulations and cooperative planning by BPNAS with the regulatory agencies and private owners are conducted, this commission can only treat the Navy's AICUZ report as being a preliminary report. The basis for the finding that the BPNAS must conduct further studies is based on the BPNAS AICUZ study wherein the Navy's own consultant indicated that a significant amount of data was lacking or incomplete and that the findings made in the AICUZ report were based on the data that was then available. Moreover, Section 256.3(c)(iii) states:

"(iii) The following descriptions of Accident Potential Zones are guidelines only. Their strict application would result in increasing the safety of the general public but would not provide complete protection against the effects of aircraft accidents. Such a degree of protection is probably impossible to achieve. Local situations may differ significantly from the assumptions and data upon which these guidelines are based and require individual study. Where it is desirable to restrict the density of development of an area, it is not usually possible to state that one density is safe and another is not. Safety is a relative term and the objective should be the realization of the greatest degree of safety that can be reasonably attained." (Emphasis added.)

H. Archaeological sites. A witness, Mr. Aki Sinoto, of Ewa Beach, testified that there were certain archaeological sites located on the subject property that have historical significance. Remains of archaeological sites indicate that the West Beach area was occupied in prehistoric times and was utilized as a fishing or marine oriented center. A region of lime stone sink bird fossil sites of some significance extends into a portion of the subject area and have been nominated to the National Register of Historic Sites. The Petitioner has represented that prior to any disturbance of

the subject property, a survey will be conducted of the subject property to preserve or remove if necessary, any significant archaeological sites.

I. Environmental Impact Statement not required.

The West Beach project does not involve any state funds or state lands nor is any of subject property within the Conservation District. Further, there are no historic sites designated on Hawaii or the National Historic Register. No amendments to the General Plan are necessary in that the West Beach area has been designated as a resort site. There are no actions proposed in the shoreline set back area which will have any significant environmental effect. If the City and County of Honolulu or the Army Corp of Engineers determines that construction of the lagoons may have a significant effect upon the environment, they will require preparation of an environmental impact statement before issuance of either a shoreline management permit or a dredging permit.

29. The Petitioner has represented that the Kamokila Campbell property, approximately 35 acres, will be preserved as a park. The Campbell Estate has indicated that it may retain private ownership, and that the 10 acre portion which was Kamokila Campbell's estate may be operated by Kamehameha Schools or some other private agency as a private park with limited or no general public access but that 25 acres of the Kamokila Campbell property will be open to the public and the public will have access to the natural lagoons which adjoin Kamokila Campbell's 10 acre estate. The Commission finds that either alternative appears reasonable as long as the public has access to some of these grounds and use the lagoons known as West

Beach.

30. The Petitioner has also represented to the Commission that the public shall have use of the lagoons, access to all of the beach frontage of subject property, and that access points will be provided to reach the beach frontage. The exact amount and location of this access point shall be determined by the appropriate county agency.

31. The Commission finds that Petitioner's request to reclassify 810 acres of Agricultural lands to Urban is reasonable for the following reasons:

a. The amendment is reasonably necessary to accommodate growth and development of the tourist industry on Oahu. All economic indicators project a healthy rise in tourists visiting this island and the demand for rooms will be critical in the near future.

b. There will be no significant adverse effect to the environment as a result of the reclassification from Agricultural to Urban and from the proposed development.

c. Adequate public services are available to the Petitioner or where none are available, the Petitioner will construct facilities for the project.

d. Since the proposed resort-hotel and residential project will be a large, self-contained urban center, there will be no scattered urban development.

e. The proposed development, when completed, will provide approximately 8,100 jobs for the economy on Oahu and will further provide about \$800,000,000 worth of construction work for the depressed construction industry.

f. The residential development will provide housing for the proposed resort and existing employment centers.

With federal or state aid, the Petitioner may provide 10% of the residential units for low and moderate income families. The remaining units will be sold to all economic and social groups.

g. The City and County of Honolulu supported this Petition since it conforms with its General Plan designations at the Ewa-Makakilo area as a secondary urban center and West Beach as a resort development site.

h. No conservation lands are affected by this Petition.

RULING ON PROPOSED FINDINGS

Any proposed findings submitted by a party and not already ruled upon by the Commission by adoption herein or rejected by clearly contrary findings of fact herein, is ruled upon as follows:

1. Petitioner's Proposed Findings of Fact Nos. 15 and 38 are rejected as not being relevant to this Commission's decision.

2. The Department of Planning and Economic Development's Proposed Findings of Fact Nos. 22, 23, and 24 are rejected as being argumentative, conclusory, not presenting fact appropriate for finding, and not supported by substantial evidence on the record.

3. The Department of Planning and Economic Development's Proposed Findings of Fact No. 28 is rejected as not being supported by substantial evidence on the record and being contrary to the evidence.

4. The Ewa Beach Aliis Athletic Club Proposed Findings of Fact Nos. 17, 28, 29, 46, 47, 48, 49 and 50 are rejected as not being relevant to this Commission's decision.

5. The Ewa Beach Aliis Athletic Club Proposed Findings of Fact No. 27 is rejected as being contrary to the preponderance of the evidence.

6. The Ewa Beach Aliis Athletic Club Proposed Findings of Fact No. 56 is rejected as setting forth an aspect of development which is obvious and does not require finding by this Commission.

7. The Ewa Beach Aliis Athletic Club Proposed Findings of Fact Nos. 57, 58, and 91 are rejected as not being supported by substantial evidence on the record.

8. The Ewa Beach Aliis Athletic Club Proposed Findings of Fact No. 81 is rejected as not being supported by preponderance of the evidence.

CONCLUSIONS OF LAW

This Commission has found that there is a potential for noise and its disturbing affect upon the proposed resort development from the aircraft operations at Barbers Point Naval Air Station. There was also some potential hazard, however uncertain, to the proposed resort development of aircraft accidents occurring during use of Barbers Point Naval Air Station runway approach patterns over the southern most portion of the subject property. In order to minimize that noise and accident potential and to minimize possible

conflict between the proposed resort use of the subject property and agricultural and industrial uses of adjacent properties, the Commission will condition reclassification of the subject property upon the creation of a buffer zone. The buffer zone, which is more fully described herein, may include such uses as the marina, the golf course, and roads, but may not include hotel, residential, commercial, or other related structures.

The Commission has also found that there may already be enough land classified Urban within the Ewa-Makakilo area to meet the projected housing and need for 1985 if that land is fully developed. Much of that land is not being actively developed, however, but remains in sugar cane cultivation. Rather than reclassifying more land than may be reasonably necessary to accommodate residential growth and development in the Ewa-Makakilo area, the Commission approves the concept as proposed but declines at this time to reclassify from Agricultural to Urban all of the subject property which the Petitioner had proposed to develop for residential uses. More specifically, an area of approximately 170 acres as shown in cross-hatch on Exhibit A attached hereto, will not be reclassified, but will remain in the Agricultural District. The Petitioner had proposed to develop approximately 1,250 residential units on that area. The Commission's action not to reclassify this 170 acres portion of the subject property at this time will reduce the number of residential units to be developed on the subject property from 3,250 to approximately 2,000. Should it appear in the future that the 1,250

residential units are needed to meet the housing demand in the Ewa-Makakilo area, the Petitioner may repetition this Commission for reclassification of 170 acres. In that development of those lands which the Commission has already classified as Urban within the Ewa-Makakilo area in time to meet the projected housing need for 1985 is uncertain, in that Petitioner intends to begin construction in the near future, and in that residential development of the subject property is an intregal part of the total resort development which is clearly necessary for the continued growth of tourism on Oahu, reclassification of the remaining 640 acres of the subject property from Agricultural to Urban in order to permit the proposed development is reasonably necessary to accommodate growth and development.

Creation of the buffer zone and the elimination of the 170 acre residential area will cause a number of effects. In addition to reducing the acreage of the development from 810 acres to 640 acres and the number of residential units from 3,250 to 2,000, the number of hotel rooms will also be reduced from approximately 8,000 to 7,200 because of the elimination of hotels in the buffer zone area surrounding the marina. As a result, the number of jobs which the development can be expected to generate may also decrease from approximately 8,100 to 7,200. State and City tax revenues which the proposed development was projected to generate will also decrease with decreases in the acreage of the development, and in the number of hotel rooms and employees. There will, however, also be several beneficial effects that will result. Approximately 170 acres of the subject property will be left

in the Agricultural District and presumably will remain in sugar cane cultivation, the traffic impact of the proposed development will lessen, and the demand for water and sewage treatment capacity will also decrease. With the conditions the Commission has imposed upon reclassification, the proposed development will have no significant adverse effect upon the agricultural, natural, environmental, scenic, historic or other resources of the area.

Reclassification of the subject property, approximately 640 acres of land situated at Honouliuli, Ewa, Island of Oahu, from Agricultural to Urban upon the following conditions, and amendment of the District Boundaries accordingly to permit the proposed development, is therefore reasonable, not violative of Section 205-2, HRS, and consistent with the interim policies and criteria established pursuant to Section 205-16.1, HRS, particularly subsection (5) thereof which provides, among other things, a preference for petitions which will provide permanent employment.

ORDER

IT IS HEREBY ORDERED:

That, subject to the following conditions, including the representations made by the Petitioner during the course of the proceedings on its Petition for Amendment to District Boundaries, the property which is the subject of the Petition in this Docket No. A76-421, approximately 640 acres of land situated at Honouliuli, Ewa, Island of Oahu, a portion of

Parcel 2 identified by Tax Map Key No. 9-1-14, a portion of Parcel 4, identified by Tax Map Key No. 9-1-15, Parcel 3, 6, 7, 9, and 10, identified by Tax Map Key No. 9-1-15, and Parcel 3 and 7, identified by Tax Map Key No. 9-2-03, shall be and hereby is reclassified from Agricultural to Urban and the District Boundaries are amended accordingly:

1. That the Petitioner establish and maintain a buffer zone along the southeastern boundary of the subject property between the resort development and the surrounding agricultural and industrial uses, extending from the ocean where the Petitioner had proposed to construct the Harbour Hotel at a width of 500 feet to the proposed Harbour Residential and Commercial area, and from there extending further northeast at a width of 300 feet through that area which the Petitioner had proposed to reserve for construction of a school, as indicated by diagonal markings on Exhibit A, attached hereto. That the buffer zone shall be landscaped throughout and may include such uses as the proposed Harbour Marina, the golf course, and roads if landscaped on both sides, but may not include hotel, residential, commercial, or other related structures.

2. That prior to application for rezoning and before any grading of the subject property begins, Petitioner commission and complete a comprehensive archaeological and biological study with actual inventory of archaeological sites and flora and fauna on the subject property, and that the Petitioner preserve any archaeological sites which the Bernice P. Bishop Museum believes to be significant and

worthy of preservation, and protect or preserve any endangered species of flora, including Euphorbia Skottsbergii, that may be found on the subject property, as the Bernice P. Bishop Museum believes to be appropriate.

3. That to whatever extent possible within the confines of union requirements an applicable legal prohibition against discrimination in employment, the Petitioner employ residents of Leeward Oahu from Waipahu, Ewa, Makakilo, and Waianae Coast, an area which suffers from a very high rate of unemployment, during both the construction and operation stages of the development.

4. That the Petitioner use his best efforts to obtain governmental participation or assistance to make at least 10% of the approximate total of 2,000 residential units available to moderate and lower income families.

5. That the Petitioner make such amenities as the golf course, tennis course, bikeways, comfort stations, small boat harbor and launching ramp available for public use.

6. That beach access right-of-ways to the entire shoreline and particularly to the natural lagoons adjoining Alice Kamokila Campbell's former estate be provided and maintained for public use. The exact number and location of the beach access right-of-ways may be determined by the appropriate agencies of the City and County of Honolulu.

7. That the 35 acres of property which belonged to the former Alice Kamokila Campbell be preserved as a park and that at least those 20 acres which were not part of her 10 acre private estate be open to the public.

DONE at Honolulu, Hawaii, this 16th day of August, 1977, by motion passed by the Commission on the 13th day of June, 1977, in Honolulu, Hawaii.

LAND USE COMMISSION
STATE OF HAWAII

By *Eddie Tangen* June 27, 1977, 10:00 a.m.
EDDIE TANGEN, Chairman and
Commissioner

By *Stanley Sakahashi*
STANLEY SAKAHASHI, Vice Chairman
and Commissioner

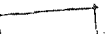


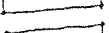

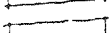
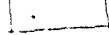
By *Charles Duke*
CHARLES DUKE, Commissioner

By *Shinsei Miyasato*
SHINSEI MIYASATO, Commissioner

By *Mitsuo Oura*
MITSUO OURA, Commissioner

By *Edward Yanai*
EDWARD YANAI, Commissioner

EXHIBIT "A"

830 Total Acres		Major Creation & Open Space
65		School
110		Public Parks, Greendell & Golf & Tennis
70		Commercial
15		Marina
25		Hotels, Tourist Recreation & Commercial
125		Residential
300 Acres ±		Scale

West Beach
 tabulation
 gpr
 North
 300'

