

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)
)
LONE STAR HAWAII, INC.) DOCKET NO. A80-487
)
To Amend the Conservation Land Use)
District Boundary to Reclassify)
Approximately 71.9 Acres,)
TMK: 4-2-04: 1 (portion), 15)
(portion), and 23 (portion), at)
Kailua, Koolaupoko, Oahu, Hawaii,)
into the Urban Land Use District)
)

DECISION AND ORDER

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)	DOCKET NO. A80-487
)	
LONE STAR HAWAII, INC.)	FINDINGS OF FACT,
)	CONCLUSIONS OF LAW,
To Amend the Conservation Land Use)	DECISION AND ORDER
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into the Urban Land Use District)	
_____)	

FINDINGS OF FACT, CONCLUSIONS OF LAW,
DECISION AND ORDER

The above-captioned land use boundary amendment proceeding was initiated by the petition of Lone Star Hawaii, Inc., a Hawaii corporation (hereinafter the "Petitioner"), pursuant to Chapter 205, Hawaii Revised Statutes and the Rules of Practice and Procedure of the Land Use Commission of the State of Hawaii, to amend the Land Use District Boundaries of certain lands situated in Koolaupoko, Oahu, Hawaii (hereinafter referred to as the "subject property"), from Conservation to Urban Land Use District, and the Commission, having heard and examined the testimony and evidence presented at the hearings held on August 19, 20, and September 17, 1980, in Honolulu, Hawaii, hereby makes its Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

PROCEDURAL MATTERS

1. The Petition For Boundary Amendment was filed on May 30, 1980, by the Petitioner to amend the Conservation District at Koolaupoko, Oahu, Hawaii, by reclassifying approximately 71.9 acres into the Urban District, and was properly served and

published in accordance with Section 205-4, Hawaii Revised Statutes.

2. Notice of the hearing, scheduled to commence August 19, 1980, at 9:00 a.m., was published in the Honolulu Star Bulletin, a newspaper of general circulation, on July 18, 1980.

3. A Petition to Intervene was received from the Kailua Neighborhood Board No. 31 on August 1, 1980, which petition was timely filed. The Kailua Neighborhood Board No. 31 was properly admitted as a party to the proceedings.

4. A prehearing conference on said Petition was held in Honolulu, Hawaii, on August 11, 1980, at which conference exhibits and lists of witnesses were exchanged between said parties, who were given the opportunity to comment or object to same. Prospective Intervenor, the Kailua Neighborhood Board No. 31 was also present.

5. A Petition for Intervention was received from Elizabeth Ann Stone on August 12, 1980, which petition was not timely filed and was therefore denied.

6. A request to appear as a public witness was received from Kenneth R. Kupchak. Mr. Kupchak did not appear. The Kailua Community Council orally requested leave to testify in place of Mr. Kupchak, and its representative was allowed to testify as a public witness.

7. The Kailua Community Council requested permission to testify and its representative was properly allowed to testify as a public witness.

8. A Joinder signed by four of the five owners of Tax Map Key Parcel No. 4-2-04: 16, 0.148 acres in size, joining in and consenting in and to the Petition for Amendment of District Boundaries and Reclassification from Conservation to Urban was received as Exhibit W. A fifth owner of said parcel neither joined in nor consented to the Petition. As all of the owners

of Tax Map Key Parcel No. 4-2-04: 16 did not join in and consent to the Petition, this parcel was withdrawn from the Petition by the Petitioner.

DESCRIPTION OF THE SUBJECT PROPERTY

9. The subject property comprises approximately 71.9 acres situated at Kailua, Koolaupoko, Oahu. The tax map key description of the subject property is 4-2-04: 1 (portion), 15 (portion) and 23 (portion). The subject property is more particularly described in Exhibit A attached hereto and incorporated by reference hereon. Parcel 16 of Tax Map Key 4-2-04, originally included in the petition, has been withdrawn from the petition by the Petitioner.

The subject property is located in the Enchanted Lake area of Kailua, Oahu. The property is bounded by Kalaniana'ole Highway along its Western border and lands in single family residential use along its northern boundary. Keolu Drive is situated just North of the site. Lands to the West of the property and across Kalaniana'ole Highway are vacant. The lands to the South and East of the property include mountain ridges. The Bellows Air Force Base is situated beyond the mountain ridges to the East.

The subject site primarily consists of a series of ridges and valleys, with slopes ranging from 0 to greater than 60 percent throughout. The lower, Western portion of the property includes a streambed, pond and drainage basin area.

10. The subject property is a portion of a larger parcel having an area of approximately 143.6 acres, of which 38.4 acres is classified in the State Land Use Urban District and 105.2 acres is classified in State Land Use Conservation District. The subject property is located within the 105.2 acres, classified in the State Land Use Conservation District. The subject property will be developed together with the

aforementioned 38.4 acres. Together, the subject property and said 38.4 acres are hereinafter be referred to as the "project" or "development."

11. Petitioner is the owner in fee simple of the subject property. The subject property is undeveloped with the exception of four acres presently used as a construction yard and for bus parking.

12. The U.S.D.A. Soil Conservation Service, in its Soil Survey, classifies the soils of the subject property as Papaa clay (PYF) (PYD) (PYE), Alaeloa silty clay (AeE), and Hanalei silty clay (HnA).

The Papaa clay soil series consists of well-drained soils on the uplands of Oahu, particularly near Kailua. These soils are moderated sloping to very steep. The subject property contains all three (3) soils of this series. The Papaa clay, 35 to 70 percent slopes (PYF), has convex, very steep slopes. This soil is very sticky and very plastic and cracks widely when dry. Runoff is rapid and the erosion hazard is severe for this soil. This soil is primarily used for pasture. The Papaa clay, 6 to 20 percent slopes (PYD), exhibits slow to medium runoff. The erosion hazard is slight to moderate. The Papaa clay, 20 to 35 percent slopes (PYE), exhibits medium to rapid runoff, and the erosion hazard is moderate to severe.

The Alaeloa soil series consists of well-drained soils which are gently sloping to very steep. The Alaeloa silty clay, 15 to 35 percent slopes (AeE), exhibit moderately rapid permeability, medium runoff and moderate erosion hazard.

The Hanalei soil series consist of poorly drained soils on the botton lands of the islands of Kauai and Oahu. The Hanalei silty clay, 0 to 2 percent slopes (HnA), is situated on stream bottoms and flood plains. Permeability is moderate, runoff is very slow, and the erosion hazard is slight. Flooding

is a hazard on these soils. These soils are used for taro, pasture, sugarcane and vegetables.

13. According to the State Department of Agriculture's Agricultural Lands of Importance to the State of Hawaii (ALISH) Classification System, approximately 38 acres of the subject property are designated as Other Important Agricultural Land. The property is not designated for agriculture.

Sixty-five percent of the subject property has slopes in excess of 20 percent. Approximately 35 percent of the subject property exhibit slopes between 0-19 percent, approximately 29 percent has slopes between 20-29 percent and approximately 36 percent has slopes greater than 30 percent.

14. The project area has an existing stream which empties into a water storage basin (pond) then flows through an existing City and County of Honolulu concrete channel into Enchanted Lake. There is a large growth of trees in the stream, pond and ridge areas. Kalaniana'ole Highway, major throughfare, and Keolu Drive will provide access to the project. The prevailing tradewinds come from the Northeast.

15. The project area has an existing stream which empties into a water storage basin (pond) then flows through an existing City and County of Honolulu concrete channel into Enchanted Lake. There is a large growth of trees in the stream, pond and ridge areas. Kalaniana'ole Highway, a major throughfare, and Keolu Drive will provide access to the project. The prevailing tradewinds come from the Northeast.

PROPOSAL FOR RECLASSIFICATION

16. Petitioner seeks a reclassification of the subject property to Urban. Petitioner plans to develop a residential complex consisting of a mixture of single family residences and attached residences. Petitioner proposes to develop the property as a cluster type development. The cluster development, which

is permitted under the Comprehensive Zoning Code, permits a developer to create lots of varying sizes including smaller than normal lot sizes on sites having varying topography, waterways and other irregular features. In addition, minimum street widths are relaxed and concrete curbs, gutters and

sidewalks may not be required. Grading and cut and fill would be minimized. The Petitioner proposes to develop higher density, lower priced homes in the lower and more level areas, portions of the subject property, which will be less costly to improve. The Petitioner proposes to develop lower density, higher priced homes in steeper portions of the subject property.

17. A total of 409 units of which are 191 detached single family units and 218 attached units are planned. Density will be approximately 3.8 units per acre. The dwelling units will be approximately 1,250 square feet to 1,650 square feet in size. There are no plans to construct homes on slopes in excess of 30 percent. Lot sizes will be approximately 3,000 to 20,000 square feet in range. The intended market will be the island of Oahu, specifically Kailua and Lanikai. The sales price will be the prevailing market price for similar units at the time of sale, with the sales price of at least ten percent of the units being reduced for sale to low and/or moderate income purchasers.

18. A playground (park) of approximately 13 acres in size will be constructed by the Petitioner.

19. There will be a greenbelt area between the units in the cluster development so that when connected, the greenbelt area is designated to afford residents direct access to the playground area, an everyday pathway and a bicycle path system. The greenbelt area will total approximately 26 acres.

20. The Petitioner proposes to construct single family detached and attached homes. The distribution of these housing types within the project was not defined. The Petitioner proposes to use the zero lot line concept to conserve space. The Petition also intends to build step down homes which accommodate the topography rather than alter the topography to fit a flat home.

21. The Petitioner also proposes to develop hiking

trails connecting the greenbelt areas of the project with the ridge line areas of its property remaining in the Conservation district. The Petitioner also proposes to construct picnic shelter areas to link these hiking areas with any hiking trails developed in the Koolaupoko area.

22. The Petitioner proposes to complete land use, general plan and zoning changes by the end of 1982. Under its proposed construction schedule, the Petitioner proposes to complete unit sales and construction in 1988. The project will include 38.4 acres of land presently zoned R-6 as well as the 71.9 acre subject property. Construction of the development is divided into seven phases.

23. Petitioner's preliminary construction cost estimate for the project is approximately \$15,260,000.

24. Petitioner will offer to the appropriate government agency or agencies or to the public directly at least ten percent of the detached single family residences, and dwelling units or homesites at the lowest practical price, which price shall not exceed prices that shall enable low and moderate income purchasers to qualify for and obtain state financing (i.g. Act 105 or Hula Mae funds) or federally insured financing (i.e. FHA 245 Program) or other federally assisted programs.

25. Petitioner is financially capable of developing the project.

STATE AND COUNTY PLANS

26. The existing State land use classification for Petitioner's 143.6 acres is as follows:

- a. 38.4 acres in the Urban District
- b. 105.2 acres in the Conservation District.

27. The City and County of Honolulu, in its General Plan Detailed Land Use Map, designates the 143.6 acres

owned by Petitioner as follows:

- a. 109.3 acres as Residential, and
- b. 34.3 acres as Open Space.

The portions of Petitioner's property classified Urban and Conservation are not identical to the positions of the property general planned Residential and Open Space.

28. The existing City and County of Honolulu zoning for Petitioner's 143.6 acres is as follows:

- a. 38.4 acres is zoned R-6 Residential, and
- b. 105.2 acres is zoned as P-1 Preservation.

The portions of Petitioner's property general planned Residential and Open Space are not identical to the portions of the property zoned R-6 and P-1.

29. The subject property was designated as a part of the State Land Use Conservation District by the Commission in 1964 as reflected on the Land Use District Boundary Map O-15 (Kokohead). The subject site is bounded by Urban District lands to the West and North, and Conservation District lands to the East and South.

30. The City and County of Honolulu's General Plan/ Detailed Land Use Map (Ordinance No. 2473, adopted July 29, 1964) designates portions of the subject property Residential and Open Space. The proposed Koolaupoko Development Plan being developed pursuant to the 1977 General Plan (Resolution No. 238, adopted January 18, 1977) designates the subject property site as Preservation. The City and County has zoned the subject property P-1 Preservation. The subject property is not situated within the Special Management Area.

NEED FOR GROWTH AND DEVELOPMENT

31. The need for housing for the people of Oahu, particularly for homes affordable toward moderate income residents, is great. The subject property is contiguous to an

existing Urban District that is already developed with single family residences.

32. The population trend for the island of Oahu is as follows:

- a. 1975 population - 704,403
- b. 1980 population - 729,100
- c. estimate for the year 2000 made by DPED in 1977 - 1,039,000.
- d. estimate for the year 2000 made by DPED in 1978 - 917,400.

33. The population trend for the Kailua, Oahu, area is as follows:

- a. 1975 population - 40,722
- b. 1980 population - 41,000
- c. estimate for the year 2000 made by DPED in 1977 - 49,000.
- d. estimate for the year 2000 made by DPED in 1978 - 43,117.

34. In 1975 approximately 5.8 percent of Oahu's total population lived in the Kailua area.

35. DPED estimated that in the year 2000, 4.7 percent of Oahu's total population will live in the Kailua area.

36. The General Plan proposes a reduction in percentage of Oahu's total population to be located in the Kailua planning area from 5.8 percent in 1975 to 4.7 percent by the year 2000. The General Plan also proposes a reduction in the percentage of Oahu's total population to be located in the Koolau-poko Development Plan area from 14.8 percent in 1975 to 13 percent in the year 2000.

37. Because the General Plan contemplates a variation of five percent for its projection, the Kailua, Oahu, population in the year 2000 could range from a low of 38,530 to a high of

47,704.

38. Assuming that Kailua's population in the year 2000 will reach the maximum population in the projected range, an additional of 6,704 people will need housing in Kailua. Based on an average of three persons per dwelling unit, and assuming no other additions or deletions from the housing supply, 2,223 units will be required to satisfy this need for housing.

39. Assuming Kailua's population in the year 2000 only reaches the middle of the projected range, 43,117 persons, 704 new dwelling units will be needed.

40. Petitioner has proposed that the number of new dwelling units that should be built in Kailua in the next 20 years should be based on the following analysis of other residential or apartment zoned lands and pending projects in the Kailua area:

- a. Kailua Apartment District - 450 units have been completed or will be by January, 1981.
- b. Other projects to be completed in 1981 - Approximately 173 units.
 - (1) The Bluestone project, comprising of 136 units, is almost completed.
 - (2) Maunawili - approximately 30 units are under construction.
- c. Kalaheo Hillside - approximately 162 units could be constructed on lands presently zoned for residential development.
- d. Lone Star Hawaii Inc. - approximately 110 units could be constructed on the 38.4 acres classified urban.
- e. Kawainui - approximately 520 units could be constructed on lands presently zoned for residential development.

41. Based on the foregoing, approximately 623 units (450 plus 173) will soon be made available to satisfy the present needs of the Kailua area. An additional estimated maximum of 1,042 units (250 plus 162 plus 110 plus 520) may be constructed on lands presently for residential development. The maximum number of new units which will be constructed in Kailua during the next 20 years is 1,665 units, while the potential need is 2,223 units. There is a potential need for 558 additional units.

IMPACT ON RESOURCES OF THE AREA

Agricultural Resources

42. The proposed project will not involve lands classified or used for agriculture.

Water Resources and Drainage Impact

43. Adequate water sources are available to serve the proposed development.

44. An existing natural stream empties into a 100-year storm water storage basin. A ponding and siltation area approximately three to five feet in depth is located on Petitioner's property. A large growth of trees exists along this stream, around the pond, and along the ridge line and valleys, including some large banyans and monkeyed trees. A tree survey will be made, in order to tag and retain trees. The existing pond and wet land will be maintained in their natural state.

Flora and Fauna

45. Several species of birds are found in the area of the subject project but none are endemic to Hawaii.

46. The only mammals found on the subject property are "pests," such as mongoose and rats.

Thus reclassification of the subject property from Conservation to Urban and the construction of residential

housing will not have adverse or undesirable effect on fauna on the subject property.

47. The majority of the species of Flora present on the subject property are species introduced to Hawaii including weeds and other common varieties, the removal of which will not cause a significant impact on the total island population of any of the species involved. (Koa-haole, Christmas berry, Formosan koa, California grass & Albizia).

Recreational Resources

48. The subject property is unimproved. The only natural recreational resources situated on the subject property are hiking trails. Petitioner will improve hiking trails and provide sheltered lookouts along ridge lines.

Historical and Archaeological Resources

49. Petitioner introduced no evidence of historical, cultural, architectural and/or archaeological resources on the subject property. In the event unanticipated sites or remains are encountered during construction, Petitioner will stop work, notify the Historic Sites Section of the Department of Land and Natural Resources, and permit it to survey and recover any such sites.

Environmental Impact

50. Air quality may temporarily be adversely affected by construction activity during the building phase of the proposed development; however, such impacts will be minimized by compliance with applicable State and County regulations such as those regarding transient and fugitive dust and by regulating the hours of construction.

51. The additional automobile traffic generated by the proposed development will not have an adverse impact on air quality and noise generation from the

additional automobiles will not be significant.

Scenic Impact

52. The proposed development will affect the visual environment of the subject property as viewed by residents of the surrounding properties. The development will alter the natural state of the ridgeline.

ADEQUACY OF PUBLIC SERVICES AND FACILITIES

Fire and Police Protection

53. There is adequate fire protection to serve the proposed development. The nearest fire stations to the subject property are in Kailua and Waimanalo. The City and County plans to construct a new Olomana fire station, adjacent to Maunawili School, one to one and one-half miles from the subject property, within three to four years.

54. There is adequate police protection to serve the proposed development. The Kailua police station will serve the subject area. Approximately three more policemen will be needed to serve the people living in the proposed development.

School Facilities

55. Existing schools in the area have sufficient capacity to serve the projected population for the area.

Recreational Facilities

56. Adequate park facilities are available to service the proposed development. Approximately 13 acres in the project will be set aside for recreational/park purposes. Petitioner expects to comply with the City and County Park Dedication Ordinance No. 4621 in this manner.

Drainage Facilities

57. Adequate drainage is available to service the project. A storm water basin was constructed several years ago

and a series of culverts under Kalaniana'ole Highway lead to the basin.

Sewer Facilities

58. Adequate sewer capacity in the Kailua Sewage Treatment Plant is available to service this project. Existing sewer lines are located in Keolu Drive and off Akaakawa Street.

Water Resources

59. Two existing water reservoirs are available to serve the proposed project, and another is planned for construction. Petitioner has submitted a water master plan for the area to the Board of Water Supply, but has not committed to provide water for the proposed development.

Solid Waste Disposal Services

60. Refuse pickup will be available to the project site through either County or private pickup.

Roadway and Highway Services

61. The project area is served by two major roads, i.e.,

Kalaniana'ole Highway is a major thoroughfare which leads to Kailua Road and Keolu Drive.

Kalaniana'ole Highway and Kailua Road are high capacity highways designed to carry large volumes of traffic.

Kalaniana'ole Highway and Kailua Road, in the vicinity of the subject property, are presently operating at a level of service between levels C and D during the peak hours of service. Both the Director of the State Department of Transportation and the City Department of Transportation Services have stated that the proposed development is supported

by an adequate roadway system and express bus system. The proposed development will not unduly burden existing traffic in the adjacent areas.

SCATTERIZATION AND CONTIGUITY OF DEVELOPMENT

62. Since the subject property abuts lands along its Northern and Western borders in Urban District, the reclassification would result in the extension of a contiguous Urban District. At present, a single family residential subdivision exists to the Northwest of the subject property.

63. The land use amendment conforms generally to the City and County of Honolulu Detailed Land Use Map for the area. The proposal extends the boundary of the Urban District of the existing Urban community of Enchanted Lake and Kailua Heights in Kailua.

64. The subject property is the last increment of the undeveloped land on the Kailua side of the ridge between Waimanalo and Kailua. The remainder of the Kailua side of this ridge has been developed into homesites

STANDARDS FOR DETERMINING DISTRICT BOUNDARIES

65. The subject project will provide needed housing accessible to existing employment centers such as downtown Honolulu 12 miles away and the Kailua Community Center Area, two miles away. Petitioner proposes to set aside at least ten percent of all housing units for the low/moderate income group.

66. Petitioner has substantiated the economic feasibility of the proposed development. Petitioner has been the major developer in the Enchanted Lake/Kailua area. Petitioner has the financial capability to undertake the development of the subject property.

67. Adequate public services are or will be made available to serve the proposed development and maximum use

will be made of existing services and facilities. The subject property is contiguous to an urban district which is developed with an existing utility infrastructure.

68. The subject property has satisfactory topography and drainage for the proposed project, and the property is reasonably free from the danger of floods, tsunamis, unstable soil conditions, and other adverse environmental effects.

69. The subject property is contiguous to an existing Urban District and portions of the subject property have been designated by the City and County of Honolulu on the Detailed Land Use Map for residential development. The proposed boundary amendment will not contribute toward scattered urban development.

70. The proposed land use boundary change will neither contribute toward scattered urban development, nor necessitate unreasonable investment in public supportive services.

71. While portions of the subject property have a general slope of 20 percent or more, open space amenities and/or scenic values will mainly be preserved. The subject property is desirable and suitable for urban purposes and official design and construction controls are adequate to protect the public health, welfare and safety, and the public's interests in the aesthetic quality of the landscape.

72. The land use amendment is reasonably necessary to accommodate growth and development and will not have a significant adverse effect upon the agricultural, natural, environmental, recreational, scenic, historic, or other resources of the area.

73. The subject property is not necessary for providing and preserving parklands, wilderness, or for conserving natural ecosystems of endemic plants, fish, or wildlife, for forestry, and other related activities, as the

majority of the flora present on the subject property are species introduced to Hawaii and there are no endemic birds or other endemic mammals found on the property. The subject property also has no natural recreational resources.

INCREMENTAL DISTRICTING

74. Petitioner anticipates that it will not secure final approval from the City and County of Honolulu for amendment to the Development Plan or Detailed Land Use Map, comprehensive zoning code and planned unit development approval for the subject property until mid-1982. The Petitioner proposes to commence the development of the subject property together with the adjacent 38.4 acre parcel zoned for residential development upon receipt of all approvals in 1981 or 1982 and complete the development in 1988.

75. The Petitioner will commence development of the 38.4 acre parcel and will develop it and the subject property in seven phases within eight-year period:

a. Phase 1 will include 15.4 acres of Petitioner's property presently classified Urban and zoned Residential, and 2.6 acres of the subject property, Petitioner proposes to develop 60 dwelling units in Phase 1 by the end of 1982.

b. Phase 2 will include 23 acres of the Petitioner's property presently classified Urban and zone Residential. Petitioner proposes to develop 60 dwelling units in Phase 2 by the end of 1983.

c. Phase 3 will include 16 acres of the subject property. Petitioner proposes to develop 65 dwelling units in Phase 3 by the end of 1984.

d. Phase 4 will include 15.5 acres of the subject property. Petitioner proposes to develop 65 dwelling units in Phase 4 by the end of 1985.

e. Phase 5 will include 14 acres of the subject property. Petitioner proposes to develop 50 dwelling units in Phase 5 by the end of 1986.

f. Phase 6 will include 12.5 acres of the subject property. Petitioner proposes to develop 50 dwelling units in Phase 6 by the end of 1987.

g. Phase 7 will include 11.3 acres of the subject property. Petitioner proposes to develop 59 dwelling units in Phase 7 by the end of 1988.

76. Petitioner proposes to complete development of Increment I of the subject property, consisting of a portion of Phase 1 (2.6 acres) and all of Phases 3 (16 acres) and 4 (15.5 acres), a total of 34.1 acres, within five years of the date of the Commission's approval of this petition.

77. Petitioner proposes to complete development of Increment II of the subject property, consisting of Phases 5 (14 acres), 6 (12.5 acres) and 7 (11.3 acres), a total of 37.8 acres within eight years of the date of the Commission's approval of this petition.

78. Petitioner's incremental development plan is reasonable.

RULING ON PROPOSED FINDINGS OF FACT

The Land Use Commission hereby rejects any of the proposed findings of fact submitted by the Petitioner or the other parties not already ruled upon by adoption herein, or rejected by clearly contrary findings of fact herein.

CONCLUSIONS OF LAW

Pursuant to Chapter 205, Hawaii Revised Statutes, and the Rules of Practice and Procedure, and the State Land Use District Regulations, the Commission concludes that the reclassification of all of the lands within Increment I of the Petitioner's development plan of the subject property including a portion of Phase I (2.6 acres) and all of Phase 3 (16 acres) and all of Phase 4 (15.5 acres), comprising a total of 34.1 acres, situated at Kailua, Koolaupoko, Oahu, Hawaii, more particularly identified by Oahu Tax Map Key

Numbers 4-2-04: portion of 1, portion of 15, and portion of 23; and more particularly described in Exhibit A attached hereto and incorporated by reference herein, from the Conservation to the Urban District and amendment of the Land Use District Boundaries to permit the proposed residential development is reasonable, will not violate Section 205-2, Hawaii Revised Statutes, and is consistent with State Land Use District Regulation 6-1.

The Commission further concludes that although full development of the lands within Increment II of the Petitioner's development plan cannot reasonably be completed within five years from the date of the Commission's approval of this petition, reclassification of the lands within Increment II of the Petitioner's development plan of the subject property consisting of Phase 5 (14 acres), Phase 6 (12.5 acres), and Phase 7 (11.3 acres), comprising a total of 37.8 acres, more particularly identified by Oahu Tax Map Key Numbers 4-2-04: portion of 1, portion of 15, and portion of 23, and more particularly described in said Exhibit A, from the Conservation to the Urban District and amendment of the Land Use District Boundaries to permit the proposed residential development is reasonable, will not violate Section 205-2, Hawaii Revised Statutes, and is consistent with State Land Use District Regulation 6-1. Therefore, incremental redistricting of the lands within Increment II of the Petitioner's development plan is reasonable and warranted pursuant to State Land Use District Regulation 6-2.

ORDER

IT IS HEREBY ORDERED that the lands within Increment I of the Petitioner's development plan of the subject property consisting of a portion of Phase I (2.6 acres), and all of

Phase 3 (16 acres) and all of Phase 4 (15.5 acres), comprising a total of 34.1 acres, more particularly identified as Oahu Tax Map Key Numbers 4-2-04: portion of 1, portion of 15, and portion of 23; and more particularly described in said Exhibit A, situated at Kailua, Koolaupoko, Oahu, State of Hawaii, shall be and the same is hereby reclassified from the Conservation to the Urban classification and the District Boundaries are amended accordingly.

IT IS ALSO HEREBY ORDERED that the lands within Increment II of the Petitioner's development plan of the subject property consisting of Phase 5 (14 acres), Phase 6 (12.5 acres), and Phase 7 (11.3 acres), comprising a total fo 37.8 acres, more particularly identified by Oahu Tax Map Key Number 4-2-04: portion of 1, portion of 15, and portion of 23; and more particularly described in said Exhibit A, situated at Kailua, Koolaupoko, Oahu, State of Hawaii, shall be and the same are hereby approved for incremental development pursuant to State Land Use District Regulation 6-2, and that redistricting from the Conservation to the Urban classification will be granted upon receipt of an application by Petitioner for redistricting of this second increment upon a prima facie showing that Petitioner has made substantial completion of the onsite and offsite improvements within Increment I, consisting of a portion of Phase I (2.6 acres) and all of Phase 3 (16 acres), and all of Phase 4 (15.5 acres) as described herein above and in accordance with the Petitioner's development plan as indicated above, within five years of the date of this order.

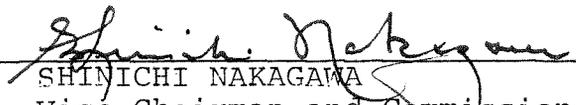
IT IS FURTHER HEREBY ORDERED that the reclassification and incremental districting of the subject property shall be subject to the following condition:

THAT the Petitioner shall offer for sale or cooperate with either or both the Hawaii Housing Authority or the City and County of Honolulu, to offer for sale on a preferential basis, at least ten percent (10%) of the total single family detached and attached residences to be developed within the subject property to the residents of the State of Hawaii who shall have low and moderate family income as determined by the Hawaii Housing Authority or the City and County of Honolulu from time to time. The preferential single family detached and attached residences shall be offered for sale at prices not exceeding prices that enable such purchasers to qualify for and obtain State financing (i.e., Act 105 or Hula Mae funds) or federally insured financing (i.e., FHA 245 program) or other federally assisted program. This condition may be fully or partially released by the Commission as to all or any portion of the subject property upon timely motion and provision of adequate assurance of satisfaction of this condition by the Petitioner.

DONE at Honolulu, Hawaii, this 14th day of
May, 1981, per Motion on February 4, 1981.

LAND USE COMMISSION

By 
C. W. DUKE
Chairman and Commissioner

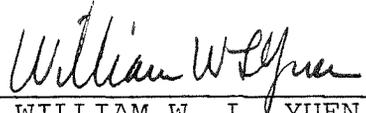
By 
SHINICHI NAKAGAWA
Vice Chairman and Commissioner

By 
SHINSEI MIYASATO
Commissioner

By 
MITSUHO OURA
Commissioner

By 
GEORGE PASCUA
Commissioner

By 
EDWARD K. YANAI
Commissioner

By 
WILLIAM W. L. YUEN
Commissioner

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)

CERTIFICATE OF SERVICE

I hereby certify that a copy of the Land Use Commission's Decision and Order was served upon the following by either hand delivery or depositing the same in the U. S. Postal Service by certified mail:

HIDETO KONO, Director
Department of Planning & Economic Development
State of Hawaii
250 South King Street
Honolulu, Hawaii 96813

ANNETTE CHOCK, Deputy Attorney General
Department of Attorney General
Capital Investment Building
Penthouse, 850 Richards Street
Honolulu, Hawaii 96813

WILLARD T. CHOW, Chief Planning Officer
Department of General Planning
City and County of Honolulu
650 South King Street
Honolulu, Hawaii 96813

JANE HOWELL, Deputy Corporation Counsel
Department of Corporation Counsel
City and County of Honolulu
3rd Floor, City Hall
Honolulu, Hawaii 96813

LINCOLN ISHIDA
PH, C.R. Kendall Building
888 Mililani Street
Honolulu, Hawaii 96813

ROBERT O. LIPPI, President
Lone Star Hawaii, Inc.
Pacific Trade Center, Suite 1480
190 South King Street
Honolulu, Hawaii 96813

KAILUA NEIGHBORHOOD BOARD NO. 31
c/o Mr. Kenneth Kupchak
10th Floor City Bank Building
810 Richards Street
Honolulu, Hawaii 96813

ABO-487 LONE STAR HAWAII INC.

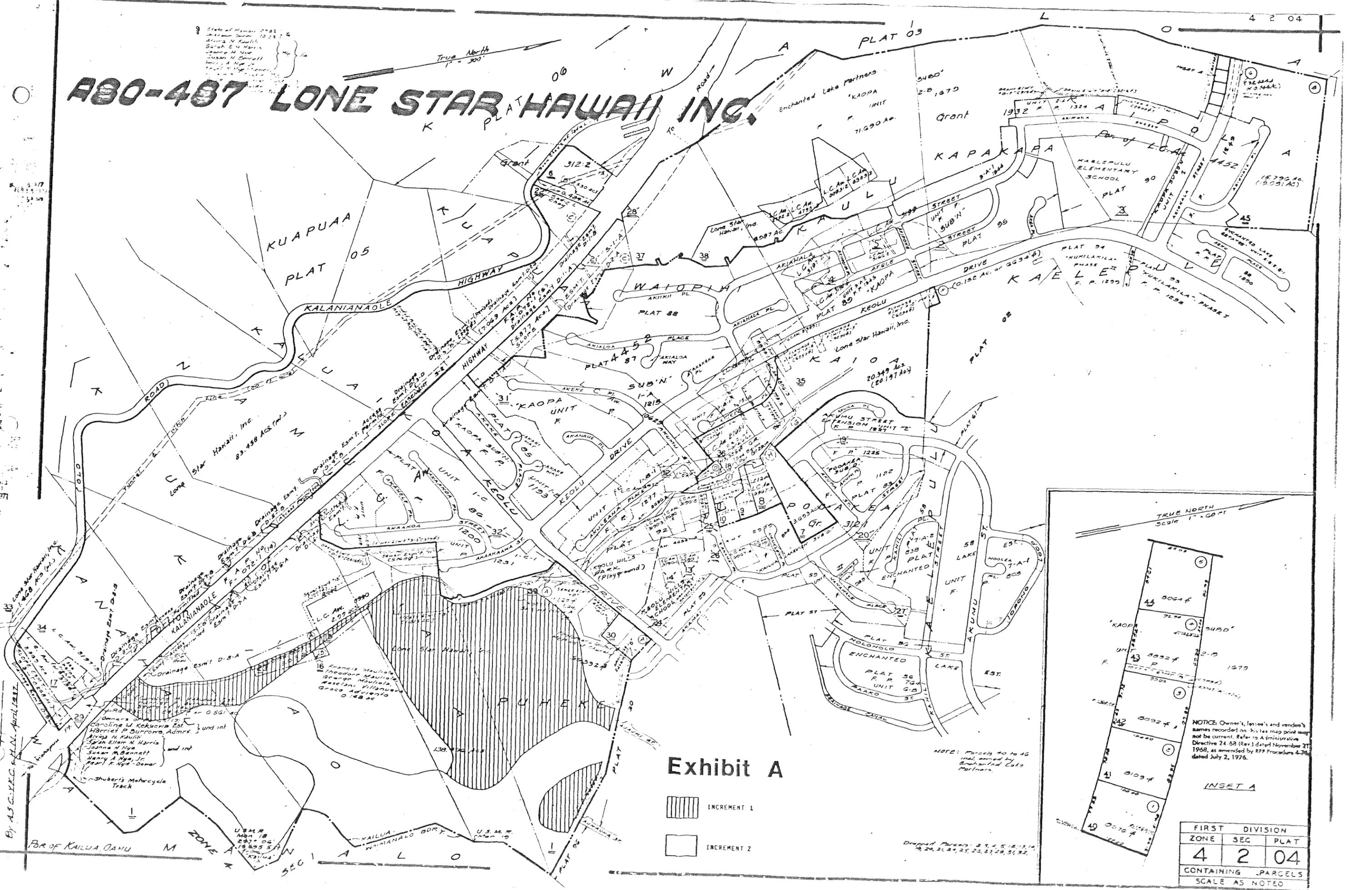
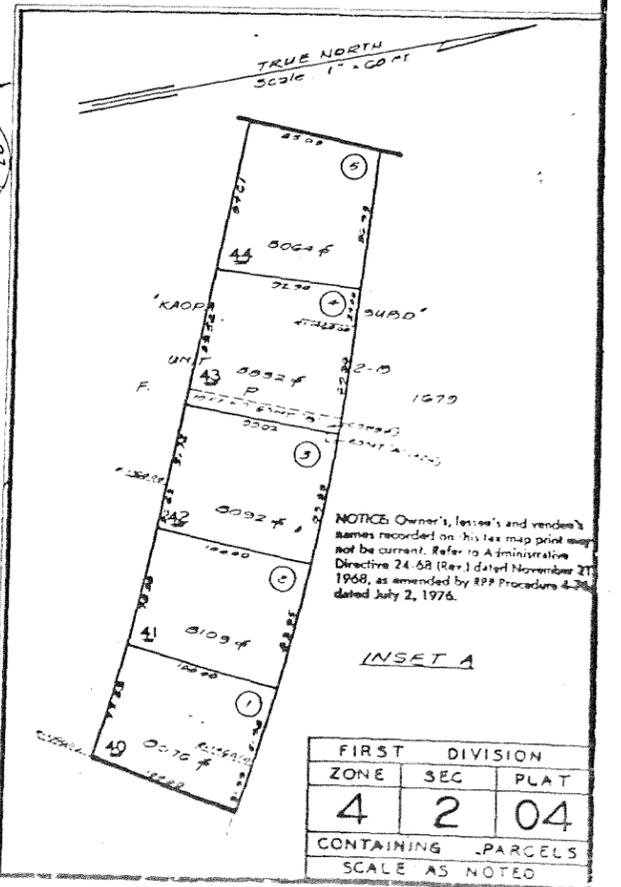


Exhibit A

-  INCREMENT 1
-  INCREMENT 2

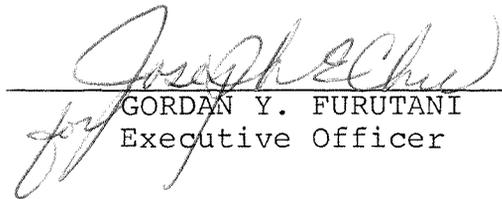
NOTE: Parcels 40 to 46
 not shown on
 Enchanted Lake
 Partners.

Dropped Parcels 2, 3, 4, 5, 12, 13, 14,
 15, 20, 21, 27, 28, 29, 37, 38, 39, 41, 42



TOM PICO, JR.
572 Kailua Road
Kailua, Hawaii 96734

DATED: Honolulu, Hawaii, this 12th day of June, 1981.



GORDAN Y. FURUTANI
Executive Officer