

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)
MILILANI TOWN, INC.)

DOCKET NO. A87-609
MILILANI TOWN, INC.

To Amend the Agricultural Land)
Use District Boundary into the)
Urban Land Use District for)
approximately 1,200.38 acres at)
Waipio, Ewa, Oahu, Hawaii, Tax)
Map Key Nos.: 9-5-01:40, portion)
of 1, portion of 11, portion of)
16; 9-5-02: portion of 1)

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LAND USE COMMISSION
HAWAII

FINDINGS OF FACT,
CONCLUSIONS OF LAW AND DECISION AND ORDER

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FINDINGS OF FACT,
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Mililani Town, Inc., a Hawaii corporation,
(hereinafter the "Petitioner"), filed this boundary amendment
Petition on March 6, 1987, pursuant to Chapter 205, Hawaii
Revised Statutes, as amended, and Administrative Rules, Title
15, Subtitle 3, Chapter 15, as amended, (hereinafter the
"Commission Rules") to amend the land use district boundary for
approximately 1,200.38 acres of land, Oahu Tax Map Key Nos.:
9-5-01: 40, portion of 1, portion of 11 and portion of 16; and
9-5-02: portion of 1, situate at Waipio, District of Ewa,
Island of Oahu, State of Hawaii (hereinafter the "Property"),
from the Agricultural District to the Urban District. The Land
Use Commission (hereinafter the "Commission"), having heard and
examined the testimony, evidence and argument of counsel
presented during the hearings, and submitted proposed findings

of fact, conclusions of law and decision and order, hereby makes the following findings of fact, conclusions of law and decision and order:

FINDINGS OF FACT

PROCEDURAL MATTERS

1. Petitioner filed its Motion for Re-Application, Supporting Memorandum and Petition pursuant to Section 15-15-76 of the Commission Rules on March 6, 1987. By Order served on May 20, 1987, the Commission determined that the Petition does not meet the requirement of substantial new evidence to permit consideration by the Commission within one year of the Commission's previous denial of a similar petition and ordered that the Petition be accepted for filing on April 15, 1987 and that the Commission shall not consider the Petition until after June 25, 1987.

2. The Commission held hearings on the Petition on July 28 and 29, 1987 pursuant to a notice published in the Honolulu Advertiser on June 19, 1987. The Commission held continued hearings on this Petition on August 26, 1987, November 16, 1987, December 17, 1987 and January 19, 1988.

3. The Commission allowed Calvin Kawamoto, James C. Lam, Colonel Michael Heenan, Sharlyne Palacio, Guy Fujimori, Jerry Norris and Gary Weaver to testify as public witnesses.

4. On July 28, 1987, the Commission allowed letters from the Mililani Town Association, the Wahiawa Neighborhood Board No. 26 and the Sierra Club, Hawaii Chapter, Honolulu

Group to be admitted into evidence. The Commission also allowed into the record two untimely letters filed by Elizabeth Ann Stone and Arnold Morgado, Jr., respectively.

5. The Commission did not receive any petition for intervention in this proceeding.

DESCRIPTION OF THE PROPERTY

6. The Property consists of approximately 1,200.38 acres of land located directly northeast and mauka of the existing Mililani Town and the H-2 Freeway. The Property is bounded by the Waikakalaua Gulch to the north and the Kipapa Gulch to the south.

7. The Property slopes gently upward towards the Koolaus from approximately 700 feet above sea level in the makai portion, to about 1,000 feet in elevation in the northern portion. Slopes below the 900-foot elevation average less than 5 percent. Above the 900-foot elevation, slopes are slightly steeper and range between 5 to 10 percent. Several gullies interrupt the otherwise uniformly sloping site.

8. Average annual rainfall varies from 40 inches per year in the lower elevations to 75 inches per year in higher elevations. Approximately two-thirds of this rainfall accumulates between November and March of a typical year.

9. Northeast tradewinds occur more than 8 months out of the year, but are most consistent between April and October. Average wind speed is 10 miles per hour. Kona winds are experienced about 3 months a year, mostly during winter

months. Daytime summer temperatures average between a low of 66 degrees Fahrenheit to a high of 82 degrees Fahrenheit. Winter temperatures average between 60 to 75 degrees Fahrenheit during daytime hours.

10. The United States Department of Soil Conservation Service Soil Survey Report for the island of Oahu classifies the soil within the Property as follows:

a. Helemano silty clay (HLMG), part of the Helemano Series which consists of well-drained soils on alluvial fans and colluvial slopes on the sides of gulches. In a representative profile, the surface layer is dark reddish-brown silty clay about 10 inches thick. The subsoil, about 50 inches thick, is dark reddish-brown and dark red silty clay that has a blocky structure. The substratum is soft, highly weathered basic igneous rock. Permeability is moderately rapid. Runoff is rapid to very rapid, and erosion hazard is severe to very severe. This soil is used for pasture, woodland and wildlife habitat.

b. Wahiawa silty clays, 0 to 3 percent slopes (WaA), 3 to 8 percent slopes (WaB) and 8 to 15 percent slopes (WaC), which are part of the Wahiawa Series and consist of well-drained soils on the upland of Oahu. In a representative profile, the surface layer of Wahiawa silty clay (WaA) is very dusky red and dusky red silty clay about 12 inches thick. The subsoil, about 48 inches thick, is dark reddish-brown silty clay that has subangular blocky structure. The underlying

material is weathered basic igneous rock. Permeability is moderately rapid and runoff is slow with a slight erosion hazard. The soil is used for sugarcane, pineapple, pasture and homesites. For Wahiawa silty clay (WaB), runoff is slow and erosion hazard is slight. This soil is used for sugarcane, pineapple and pasture. On Wahiawa silty clay (WaC), runoff is medium and erosion hazard is moderate. This soil is used for sugarcane and pineapple.

c. Leilehua silty clays, 2 to 6 percent slopes (LeB), and 6 to 12 percent slopes (LeC) which are of the Leilehua Series and consist of well-drained soils on uplands on the island of Oahu. In a representative profile, Leilehua silty clay (LeB) is dark and reddish-brown silty clay about 12 inches thick and contains concentrations of heavy minerals. The subsoil is about 36 inches thick and is dark reddish brown clay mixed with weathered gravel. Permeability is moderately rapid with a slow runoff and slight erosion hazard. This soil is used for sugarcane, pineapple and homesites. Runoff on Leilehua silty clay (LeC) soil is medium and the erosion hazard is moderate. Because of the slope, workability is slightly difficult. This soil is used for sugarcane, pineapple and pasture.

Approximately 60 percent of the Property consists of soils from the Leilehua Series. These are on the upper and northern portions of the Property. Soils from the Wahiawa Series are the southern corner of the Property.

11. The Property is currently used for pineapple production.

12. The Property is owned in fee simple by Castle & Cooke, Inc.. Petitioner is a wholly-owned subsidiary of Oceanic Properties Inc. which is a wholly-owned subsidiary of Castle & Cooke, Inc.. Petitioner holds an option to purchase the Property from Castle & Cooke, Inc. which has authorized Petitioner to file this petition with the Commission.

13. According to the Agricultural Lands of Importance to the State of Hawaii system (ALISH), approximately 60 percent of the Property is classified as Prime. This area roughly corresponds to the Leilehua Series soil areas. The remaining areas, except for gulches, are classified by ALISH as Unique. They generally correspond to the areas of the Wahiawa Series soils.

14. The Land Study Bureau Detailed Land Classification System designates the Property as "B" lands, except for the gulches, and as "C" lands, which consists of a very small area in the northeast portion. Areas within the larger gulches are classified as "E".

PROPOSAL FOR DEVELOPMENT

15. Petitioner proposes to develop the Property as a continuation and extension of Petitioner's existing Mililani Town planned-community development. The Property is part of Petitioner's "3,500-Acre Master Plan" covering the original planned residential community of Mililani Town.

16. Under Petitioner's conceptual plan, land uses for the Property are as follows:

<u>Use</u>	<u>Acres</u>	<u>Units</u>
Residential		
Single Family	770	5,630
Low-Density Apartments	60	1,010
Subtotal	<u>830</u>	<u>6,640</u>
Commercial	5	
Park/Recreation		
District	20	
Neighborhood Park	12	
Neighborhood Park (2)	8	
Recreation Center (3)	6	
Subtotal	<u>46</u>	
Community Facilities		
2 Elementary Schools	12	
(6 acres each)		
Intermediate School	12	
College/University	75	
Church Sites	*	
Transit Parking Facility	6	
Subtotal	<u>211</u>	
Preservation	108	
Grand Total	<u>1,200</u>	<u>6,640</u>

*acreage not specified

17. Petitioner expects the unit mix of the proposed housing to be approximately 80 percent single family residential units, including a full range of dwelling types such as luxury homes, zero-lot-line developments, cluster homes, conventional subdivisions, and 20 percent low density apartments.

18. In addition to the areas allocated for recreational parks, churches, commercial center and schools on

the Property, Petitioner proposes to allocate areas for the development of:

a. A retirement community of about 150 acres which would contain a mix of unit types aimed at residents 50 years of age and older.

b. A site for a college or university campus of approximately 75 acres to be developed as needed.

c. A transit parking facility for 500 cars to be located near to and mauka of the Mililani Interchange at H-2. The parking facility is intended to provide for express bus riders. There is potential for development of the facility into a transit station in the future. The parking facility can also accommodate users of the district park, recreation center and churches.

19. Petitioner proposes to divide the Property into two phases for development purposes. Phase I, containing 723 acres, constitutes the lower (makai) portion of the Property, and Phase II, containing 477 acres, constitutes the upper (mauka) portion of the Property.

20. Petitioner's rationale for establishing the dividing line between Phase I and Phase II is based on the location of a 3.5 million gallon reservoir at an elevation of 994 feet. The dividing line between Phase I and Phase II is located at such distance below the 994 feet elevation proposed for the reservoir which will meet the minimum elevation

difference needed for delivery of water by the Board of Water Supply to the development in Phase I.

21. Petitioner will develop all infrastructure improvements necessary for the proposed project. Petitioner estimates that preliminary off-site and on-site improvement costs (not including buildings) are as follows:

<u>System</u>	<u>Projected Costs</u> <u>(In Millions of 1987 dollars)</u>	
Water	\$17.0	
Sewer	6.0	
Roadways	26.0	
Drainage	<u>20.0</u>	
Subtotal		\$69.0
 <u>Other</u>		
Mililani Interchange	\$3.0	
Transit Site	1.0	
Recreational Centers	3.0	
Parks	1.2	
Utility Relocation	<u>1.2</u>	
Subtotal		\$ <u>9.4</u>
Total		<u>\$78.4</u>

22. Petitioner projects the first house deliveries to occur in late 1990 and estimates that the full build-out of the proposed project could occur in approximately 15 years after Commission approval of the Petition. Petitioner anticipates a production and market absorption rate of 400 to 500 housing units per year.

23. Petitioner did not submit information on proposed sales prices of the residential units.

PETITIONER'S FINANCIAL CAPABILITY TO
UNDERTAKE THE PROPOSED DEVELOPMENT

24. Petitioner is a wholly-owned subsidiary of Oceanic Properties Inc.. A consolidated balance sheet for Oceanic Properties Inc. and consolidated subsidiaries listed \$108,280,000.00 in assets and \$18,110,000.00 as total accounts payable as of January 3, 1987. Of the assets listed, Petitioner's assets constitute approximately \$31,000,000.00.

STATE AND COUNTY PLANS AND PROGRAMS

25. The Property is located within the State Land Use Agricultural District as reflected on Land Use District Boundary Map 0-9, Waipahu.

26. The City and County of Honolulu ("City") General Plan population guidelines provide for a projected Central Oahu population of between 122,176 and 135,539 persons by the year 2005. The additional residential units proposed for the Property would exceed the General Plan population guidelines for Central Oahu.

27. The City's Development Plan Land Use Map for Central Oahu (Ordinance No. 83-7 adopted 5/10/83, as amended) designates the Property for Agricultural use.

28. The City's zoning designates the Property as AG-1 (Agriculture).

29. The Property is not located within the Special Management Area.

NEED FOR THE PROPOSED DEVELOPMENT

Housing - Oahu

30. Petitioner's housing market analysis projects that the number of new households created on Oahu between 1985 and 2005 will approach 60,382 averaging an annual increase of 3,019 households. The number of dwelling units necessary to accommodate the new households is estimated at 80,028 units by the year 2005, or 4,001 units annually although the average annual production on Oahu between 1980 and 1985 was only 2,818 units. Thus, an estimated annual shortfall of 1,183 units resulted on Oahu between 1980 and 1985.

Housing - Central Oahu

31. For the City's Central Oahu Development Plan Area, Petitioner estimates the number of new units required by the year 2005 to be 14,631 units. On an annual basis, 732 units would then be needed over the 20-year projection period to meet demand. Even at this production level, which includes full build-out of the proposed project on the Property, Petitioner estimates only 13,216 units will be constructed by 2005 with an overall total shortfall of 1,415 units for Central Oahu by the year 2005.

32. Petitioner estimates that only 60 percent of proposed Central Oahu developments such as Village Park, Waikele, and Waiawa Ridge will actually achieve build-out due to economic, governmental or other barriers. To attain the

required number of new housing units Petitioner estimates Central Oahu production levels must average 661 to 731 units per year. Petitioner points out that it has attained a production level of 300 to 600 housing units per year at the existing Mililani Town.

33. The provision for housing opportunities for all income groups, particularly the low, low-moderate, and gap groups, is a matter of state concern.

The Hawaii Housing Authority, State of Hawaii, generally defines low income groups as families which do not earn more than 80 percent of the U.S. Department of Housing and Urban Development's (HUD) definition of median income for the area. The definition for gap-group income comprises families earning 80 to 120 percent of median income. The gap-group generally consists of families whose incomes are too high to qualify for government-assisted rental housing, but are often too low to qualify for conventional financing of market-priced housing units.

34. The Office of State Planning believes that the State's goal for affordable housing would be advanced should 30 percent of the total units developed on the Property be made available to families with an income range of 80 to 120 percent of Oahu's median income and another 30 percent of the total units be made available to families with an income range of 120 to 140 percent of Oahu's median income.

35. Petitioner proposes to provide 10 percent of its housing units to households within the low-moderate to gap-group categories. Petitioner represented that should a condition requiring that 60 percent of the residential units developed be made available to families with incomes ranging between 80 and 140 percent of median, the proposed project could be made feasible, subject to certain assumptions as follows:

a. Approval of the petition is for the entire 1,200 acres (at the outset or by incremental districting) in order to allow predictability in the total development.

b. In the event of any economic condition beyond the control of Petitioner, such as the increase in interest rates in excess of 10 percent, that would diminish Petitioner's ability to deliver the units in the manner required and would also diminish the ability of the prospective buyers to qualify for financing, Petitioner may request for appropriate adjustment to and/or for relief from the requirements of the condition.

c. The units will be made available and sold on a nonexclusive basis to persons in an income range of 80 to 140 percent of median income. Units will be made available to all buyers without regard to income in the event of such circumstances as an increase in interest rates, or an absence of persons in an income range of 80 to 140 percent of median income, who are unable to qualify.

d. The condition, requiring provision of housing opportunities, be imposed in a fair and nondiscriminatory manner upon all land use petitioners of similar kind and nature. The Commission be aware that such a condition impacts upon the Petitioner in the form of diminished profits which would negatively affect the Petitioner's competitive position and the feasibility of the proposed project.

e. Petitioner's proposal to provide housing opportunities for low-moderate-gap income residents would be included in the 60 percent requirement.

36. Petitioner states that a site of approximately 75 acres will be provided for a university campus or any other institutions as may be appropriate, and may include a community college, private college, vocational technical school and/or a private school.

However, Petitioner states that no commitment has been made for use of the site by the University of Hawaii.

37. Petitioner states that in its interview with Dr. Ralph Miwa, Chancellor for both the West Oahu College and the University of Hawaii-Hilo, Dr. Miwa believed that a second college was needed in Leeward/Central Oahu in light of extensive planned growth in the area. Dr. Miura also believes that the establishment of a separate campus would permit rapid growth of the West Oahu College. Dr. Miwa estimates that the proposed college on the Property could result in 125 faculty

staff members and 75 support staff within five years (the approximate initial construction period) and a student enrollment of up to 7,000 students by 2005.

Petitioner also indicated the Hawaii Technology Park located mauka of the Property will enhance the development of the college and could have a synergetic effect on university research activities.

IMPACT UPON RESOURCES OF THE AREA

Agricultural Resources

38. Residential development of the Property would remove approximately 1,000 acres of land from pineapple production.

39. Dole Pineapple Company, the present user of the Property, has stated that it will not be affected by removal of the 1,000 acres since these areas have been replaced by other vacated fields of Waialua Sugar Company.

40. Waialua Sugar Company has indicated that the release to Dole Pineapple Company of sugarcane fields for pineapple cultivation will not affect Waialua Sugar Company's capability to carry out its program for the production of sugar because of its increased investment in the drip irrigation process.

41. The Department of Agriculture ("DOA") has found and concluded that:

a. Abundant sunshine and the ability to control moisture are among the most important environmental

characteristics in determining optimum productivity of agricultural land for most agricultural crops.

b. The drier, lower and intermediate elevation fields which have high insolation and economical irrigation capability (Waiahole Ditch water) are the prime economic production zone (in particular reference to pineapple).

c. Lands mauka of the H-2 Freeway generally lack these qualities and are therefore somewhat less viable for agricultural use under today's technology and market conditions.

42. Petitioner states the Property lacks the qualities needed for fresh market pineapple, sugarcane and diversified crops and has identified lower elevation fields as already possessing or potentially having these qualities. Therefore, from an agricultural standpoint, DOA feels if the subject Property is to be developed, the State and/or City planning efforts should allow less development of urban growth in areas more agronomically suited at lower elevations with high insolation.

Water Quality

43. Petitioner proposes to locate its new potable water well sources near the 1,180-foot elevation mauka of the existing agricultural fields. Therefore, Petitioner does not anticipate pesticide contamination of the proposed wells.

Petitioner concludes that there is no evidence indicating that previous contamination of groundwater in Central Oahu was due to urban type of activities such as the

existing Mililani Town. However, Petitioner could not rule out the possibility of groundwater contamination from urban development.

44. Petitioner indicates that the proposed water sources, storage and distribution system to serve the Property must first be approved by the State Department of Health (DOH) unless authority is delegated to the County Board of Water Supply (BWS).

Both the DOH and BWS are knowledgeable about monitoring procedures because they have taken lead roles in designing and implementing water quality monitoring procedures to ensure early detection of water pollutants.

Flora and Fauna

45. The consulting firm of Char & Associates conducted a terrestrial flora and fauna survey of the Property. Most of the Property has been in pineapple cultivation for an extended period. The gulch areas have remained undisturbed. There are no known rare or endangered plant or animal species located on the Property.

Historical and Archaeological Resources

46. The archaeological consulting firm of Chiniago, Inc. conducted a field survey and literature search of the Property. No archaeological or historical remains were located during the survey.

47. The State Department of Land and Natural Resources (DLNR) has advised the Department of Business and

Economic Development (DBED) that it concurs with the conclusion of Petitioner's archaeological reconnaissance. The conclusion inferred that if any structural remains of an archaeological or historical nature ever existed on the Property, pineapple cultivation has long since erased any evidence.

Recreational Resources

48. To meet the recreational needs of future residents, Petitioner's master plan for the Property establishes four park sites: one 20-acre district park, one 12-acre neighborhood park, and two 4-acre neighborhood parks. Three sites for recreation centers are also included in the plan. Petitioner will coordinate with the Parks Department of the City in the formulation of the proposed park plans.

Noise

49. Based on the noise study prepared by Y. Ebisu & Associates for the Hawaii Technology Park located to the north of and separated from the Property by the Waikakalaua Gulch, Petitioner estimates the existing average sound levels for a majority of the Property is between 45-50 Ldn.

Baseline noise data released by the Army Corps of Engineers covering several sites in the Mililani area indicate sound levels of 53.7 Ldn, 59.8 Ldn and 55.1 Ldn.

50. Noise impacts caused by construction should be insignificant. Petitioner states all construction activities will comply with noise regulations contained in Chapter 43, Administrative Rules for the State Department of Public Health.

51. Upon project completion, areas next to the H-2 Freeway and Meheula Parkway will experience varying levels of traffic noise, depending on the design and structure of buildings. Noise intensity will increase and decrease according to periods of peak traffic.

Petitioner will design all on-site structures in accordance with the provisions of Title 11, Administrative Rules, Chapter 43, Community Noise Control for Oahu. Design features such as the use of noise barriers and special noise insulation treatments will be considered by Petitioner to mitigate traffic noise associated with the H-2 Freeway and interior roadways.

52. Wheeler Air Force Base is located approximately one mile north from the Property. Flight paths from Wheeler are limited due to weather and traffic considerations over the Koolau's. Often it is necessary for pilots of aircraft to turn over the project site rather than fly through the clouds which develop over the Koolau's.

53. Colonel Michael Heenan, base commander at Wheeler Air Force Base, stated that there are 250 departures from the base per day excluding Saturday and Sunday, and about 72 of these flights fly over the Property.

According to Colonel Heenan the noise impact on the Property will not pose any health or accident hazard but may pose a "comfort" problem which generates complaints even if the noise level meets the Ldn standards for residential development.

The Department of the Army, speaking for both Wheeler AFB flight operations and East Range maneuvers, has noted the concern that "historically, it has taken only one or two vocal complainers to generate actions that have a negative impact on training and readiness".

54. Petitioner has acknowledged the military's concern and proposes to advise prospective residents of the Property of the military activities in the area.

Air Quality

55. The major source of indirect air pollutants will be from automobile traffic generated by the proposed residential development. Increased traffic generated by the proposed development will increase emissions of carbon monoxide and nitrogen dioxide along routes leading to urban Honolulu.

Detailed carbon monoxide modeling conducted by Petitioner's air quality expert at the west side of the H-2 Freeway near the Mililani Interchange (directly below the project site), and further downstream, approximately mid-way between the Waiawa and Halawa Interchanges of the H-1 Freeway, indicate that under worst case morning peak hour traffic and meteorological conditions, estimated current and projected future concentrations are expected to be in excess of allowable State of Hawaii Air Quality Standards (i.e., values exceeded more than once per year) but well within Federal AQS.

Petitioner's air quality study was based on assumptions for the year 2000 which included a double loop

system at the Mililani Interchange, and widening of the H-2 Freeway in the southbound direction. Assumptions for the year 1990 included widening of Kamehameha Highway to 4 lanes, and construction of the Waipio and Paiwa Interchanges.

56. Direct sources of air pollution have been identified as fugitive dust emissions from site preparation and grading. Petitioner represents that it will adhere to the State of Hawaii regulations which set forth the control measures that are to be employed to reduce this type of emission.

Water Recharge

57. According to William W. Paty of the Board of Land and Natural Resources, the proposed change in land use from pineapple cultivation to urban development will probably result in less recharge to the basal lens but the magnitude of recharge loss of 1 or 2 million gallons per day (MGD) represents less than one percent of the basin's estimated sustainable yield. This small loss can be mitigated by retention ponds or other suitable means to capture and return runoff to deep percolation and the basal lens.

Scenic and Visual Resources

58. The Waikakalaua and Kipapa Gulches, which form the north and south boundaries, respectively provide views of dense vegetation and mature trees. Panoramic vistas of the Waianae range and the ocean can be viewed from the Property.

ADEQUACY OF PUBLIC SERVICES AND FACILITIES

Water Service

59. Petitioner estimates an average daily water demand of 3.8 million gallons upon completion of the proposed project on the Property.

60. Petitioner has proposed a Mililani Town water master plan describing installation of a complete water system consisting of storage, transmission and source development. The Board of Water Supply has approved the master plan; however, the DLNR has not yet approved Petitioner's proposed potable water source development.

61. In addition to the seven wells serving the existing Mililani Town development, the master plan calls for five wells with pumps and motors and three storage reservoirs. The reservoir system will consist of one 3.5 million gallon ("MG") reservoir located at the 994-foot elevation to serve Zone 1b, which is the makai part of the Property and 1.0 MG, and 1.5 MG reservoirs at the 1,180-foot elevation to serve Zone 1a, which is the mauka part of the Property. The deepwell facility will be located at the 1,180-foot reservoir site.

62. As a protection against possible groundwater contamination, Petitioner proposes to treat the water of the existing wells with activated carbon columns. The additional five wells proposed to serve the Property are located outside the zone of influence of agricultural or urban development.

63. Water demands for the proposed project will have an impact on the sustainable yield of the Pearl Harbor Groundwater Basin. Any water allocation requirements beyond the current allocation for the Mililani Town development will require approval of the Board of Land and Natural Resources.

Transportation Services and Facilities

64. Primary access to the Property will be provided by the extension of Meheula Parkway, which is the major arterial through the existing area of Mililani Town. Meheula Parkway runs north-south through the Mililani Interchange, where there is access to and from H-2 in the Wahiawa and Honolulu-bound directions.

65. According to a traffic impact study by Petitioner's consultant, Parsons, Brinkerhoff, Quade and Douglas, Inc. (PBQ&D), up to 4,200 of the 6,600 units proposed for the Property could be served by Meheula Parkway and the Mililani Interchange should the following access improvements be made:

- a. Signalization of Meheula Parkway intersections at both off-ramps.
- b. Ramp widening to two lanes for the Honolulu-bound ramps.
- c. Restriping of the existing bridge to allow a double-lane configuration for the left turn to the Honolulu-bound ramp.

d. Widening of the westbound lanes of Meheula Parkway to increase capacity through the Koolau-side intersection.

66. Petitioner has represented it will carry out the consultant's recommended access improvements.

67. The existing Mililani Interchange, which is a full diamond configuration, will not have adequate capacity to accommodate the projected traffic volumes with the full development of 6,600 units proposed for the Property. Development beyond 4,200 units would require the construction of loop ramps to improve operations along Meheula Parkway. The loop ramp study by PBQ&D provided for two alternatives.

Petitioner has selected Alternative 2 as the preferred alternative because it affords the greatest increase in capacity.

Alternative 2 would place loop ramps on both sides of H-2 on the Wahiawa side of Meheula Parkway to handle the increased number of left turns which would otherwise be crossing the Parkway. Loop ramps would each be two lanes. Traffic signals are suggested for both loops at their intersection with Meheula Parkway. Both on-ramps would be relocated outside of the loop ramps. The estimated cost for this project is \$3 million.

68. The Central and Leeward Oahu Transportation Study by PBQ&D states that the most significant regional problem

related to development in the central and leeward areas of Oahu is the lack of sufficient traffic capacity in the H-1 corridor between Waiawa and Halawa Interchanges.

69. The State Department of Transportation (DOT) has been implementing planned improvements to increase H-1 capacity. A new express lane for town bound traffic was constructed on the H-1 Freeway between Waiawa Interchange and Halawa Interchange in February 1987. More recently, a section near the Halawa Interchange was opened for an express lane in the Mililani direction. Another portion of the express lane from Waiawa Interchange leading to a portion of the Waiawa Interchange is currently under construction and scheduled for completion in the middle of 1988. The express lane system is planned for extension all the way to Mililani and on the H-1 Freeway out to Campbell Industrial Park.

70. DOT has also obtained approval from the Federal Highway Administration to use the right shoulder of the freeway from the Waiawa Interchange to the Halawa Interchange for additional traffic capacity during the morning peak periods. DOT will be adding a permanent lane on both sides of the freeway between the Waiawa Interchange and Halawa Interchange to bring the total to six lanes in each direction between the interchanges.

71. DOT is planning and working on other improvements to increase highway capacity and facilitate traffic flow such as widening Moanalua Road, interconnecting traffic signals on

Kamehameha Highway, construction of the Waipio Interchange and the Paiea Interchange, and widening Kamehameha Highway.

72. Besides highway improvements for the Mililani Interchange, and the provision of the park-and-ride site and a transportation coordinator, Petitioner is involved in other transportation programs to mitigate the traffic impact. DOT has selected Mililani Town as the site for a pilot project for computerized carpool matching under a federal grant. Petitioner will provide the community level organization to assist in the implementation of the program.

73. Petitioner has committed to DOT that it will participate in the construction of the Waipio Interchange and dedicate the right-of-way on Kamehameha Highway for future highway improvements.

Wastewater Treatment and Disposal

74. Petitioner estimates that wastewater flow for the proposed project on the Property will be 2.8 MGD. The Mililani Wastewater Treatment Plant (WWTP) will service the Property. Effluent from this plant is sent to the Honouliuli Wastewater Treatment Plant via the Waipahu pump station.

In order to meet the wastewater needs of the proposed project, construction of on-site facilities and off-site improvements will be necessary. The wastewater collection system needed on site would include the installation of sewer lines connecting the system to the existing 21-inch diameter

line, now inactive, under the H-2 Freeway. Off-site, additional sewer trunk lines and possible expansion of the Mililani WWTP would be needed to serve the Property.

75. The Mililani WWTP will eventually be phased out of operation. Raw wastewater from the Property will ultimately be treated at Honouliuli WWTP. The current capacity of Honouliuli WWTP is 25 MGD. Current flow into the plant is 17.25 MGD.

76. Petitioner indicated that improvements for Honouliuli WWTP are planned to expand capacity from the current 25 to 51 mgd to accommodate Central Oahu developments, such as Mililani-Mauka, by 1993. The expansion will not receive Federal Environmental Protection Agency (EPA) funding. Local funding through government sources and user fees will be required to expand this facility.

Drainage

77. The Property is traversed by two main gullies referred to as the north and south gullies which act as the drainage basins for approximately 988 acres of the Property. Storm runoff flows into culverts crossing H-2 Freeway, the Waipio Acres drainage system and eventually into Waikele Stream. North and South fringe areas of the Property sheetflow into Waikakalauo and Kipapa Gulches.

78. Because the Property is on a plateau, drainage problems are not expected within the Property.

79. Due to existing downstream construction along Waiakakalaua Gulch, all storm water in excess of the current flows going into that gulch will be diverted into Kipapa Gulch. Drainage improvements will include the construction of cut off ditches, box culverts and pipe systems designed to transport storm runoff to Kipapa Gulch. All drainage improvements will conform to the requirements and drainage design standards of the City and County of Honolulu.

80. According to Petitioner's consultant, M & E Pacific, Inc. developments at existing Mililani Town areas have not created any significant downstream drainage problems in Kipapa Gulch and Waikele Stream, and future developments are not expected to cause any significant impacts.

81. Petitioner's preliminary drainage report for the Property and proposal to divert runoff from the Property to Waikele Stream as contained in Appendix E of Petitioner's Exhibit 4 have been found acceptable by the City and County of Honolulu.

Power, Telephone and Cable TV

82. Power will be supplied from the Hawaiian Electric Company's (HECO) Waiau power plant.

83. Hawaiian Telephone Company does not have any local telephone facilities within the Property. Hawaiian Telephone will need a parcel of land, approximately 5,000 square feet in area near the Mililani interchange for a switching facility. Petitioner will provide the required site.

84. Cable television facilities do not exist on the Property but can be obtained from the trunking cable facilities located at the intersection of Meheula Parkway and Kuahelani Avenue.

Police Protection

85. A police station recently established in Wahiawa provides police protection services to Mililani. This area is part of the Honolulu Police Department's (HPD) second district. The HPD has indicated that it will be able to provide police services to the Property assuming that resources are available. The HPD expressed concern regarding the impact on traffic safety the proposed project might generate.

Fire Protection

86. Existing fire protection facilities for the proposed development on the Property are as follows:

<u>Fire Station</u>	<u>Response Distance</u>	<u>Service</u>
Mililani Engine Co. 36	2 miles	Primary
Waiiau, Ladder Co. 38	9 miles	Primary
Wahiawa, Engine Co. 16	3 miles	Secondary

The existing facilities are considered inadequate due to response distances in excess of accepted standards, given equipment and staffing levels. The Fire Department has projected a need to expand the Wahiawa Fire Station to include a ladder company. Improvements in fire protection coverage are expected to be implemented by the year 1992.

Schools

87. Petitioner will provide sites for two elementary schools and one intermediate school within the Property. A college or university site has also been provided. The Department of Education has stated that based on current estimates, the proposed school sites will be adequate to accommodate the projected student enrollment for the proposed project.

Medical Services

88. The Emergency Medical Service Systems Branch of the State Department of Health feels that, even with the projected population increase, current levels of prehospital emergency medical service could be maintained.

Solid Waste and Disposal Collection

89. The City and County of Honolulu handles the collection and disposal of solid waste in Mililani. Private collectors will dispose of refuse from condominium units and commercial establishments. The refuse from the proposed project will be disposed of at the Waipahu incinerator and possibly the Palailai sanitary landfill until the proposed resource recovery facility at Campbell Industrial Park is built or an alternate sanitary landfill site such as the Waimanalo Gulch sanitary landfill is developed.

Bus Service

90. The City and County of Honolulu, Department of Transportation Services operates TheBUS on a supply and demand

basis, subject to availability of resources. Routes and schedules for the Property will be coordinated with existing bus service.

91. The master plan for the Property provides a 500 car park-and-ride facility in an effort to encourage public transportation use.

Socio-Economic Impacts

92. No reduction in agricultural jobs is expected to occur as a result of the phased withdrawal of pineapple lands. The proposed residential development will not significantly contribute to long-term employment growth in the Central Oahu area. Certain land uses within the project area will provide limited employment opportunities. The college/university campus could employ a total of 450 persons. The commercial site, proposed public schools and the various community facilities will provide additional long-term employment opportunities. During the construction phase, the number of temporary jobs is estimated to be approximately 660.

93. Several changes in the tax structure will occur with the conversion of the land from agricultural to urban use. It is anticipated that although operating expenditures of the State may increase, the revenue collected by increased real property value, income taxes and sales tax will more than offset these operating expenditures.

COMPLIANCE WITH STANDARDS DETERMINING DISTRICT BOUNDARIES

94. The Property is adjacent to the existing Mililani Town Urban District separated by the H-2 Freeway. The Property is also situated just south of the Hawaii High Technology Park Urban District. The reclassification of the Property to the Urban District is a logical extension of the Urban District boundaries in the area.

95. The proposed development of the Property is an integral part of the existing Mililani Town development. It has been a part of the Petitioner's Master Plan for the Mililani Town development for over 20 years. As an extension of the existing Mililani Town development, public services and facilities are available to service the proposed project on the Property or can be provided at reasonable costs to Petitioner.

96. An environmental impact statement (EIS) for the proposed development of the Property (Petitioner's Exhibit 4) was prepared by Petitioner in support of its request to the City and County of Honolulu to amend the Central Oahu Development Plan. The EIS was duly accepted by the City and County of Honolulu pursuant to Chapter 343 of the Hawaii Revised Statutes.

97. The Property does not have any adverse geographic or topographic constraints which would hinder or endanger the proposed project nor is it susceptible to drainage problems, flooding, unstable soil condition or other adverse environmental effects.

98. Petitioner has the financial stability and capacity to undertake and complete the proposed project. Based on past experience and the given development expertise, Petitioner has the capability to carry out the proposed project.

INCREMENTAL DISTRICTING

99. Full urban development of the entire Property cannot reasonably be completed within five years from the date of Commission approval. Petitioner intends to accomplish the development of the Property in two phases. Phase I, containing approximately 723 acres, constitutes the lower (makai) portion of the Property, and Phase II, containing approximately 477 acres, constitutes the upper (mauka) portion of the Property.

CONFORMANCE WITH THE HAWAII STATE PLAN

100. Based on the aforesaid findings, the proposed reclassification of the Property is consistent with the objectives, policies and priorities of the Hawaii State Plan.

a. The proposed reclassification will assist in providing greater opportunities for Hawaii's people to secure reasonably-priced, safe, sanitary livable homes located in suitable environments that satisfactorily accommodate the needs and desires of families and individuals.

b. The proposed reclassification will encourage urban growth to areas where adequate public facilities are already available or can be provided with reasonable public expenditures.

RULING ON PROPOSED FINDINGS OF FACT

Any of the proposed findings of fact submitted by the Petitioner or the other parties not already ruled upon by the Commission by adoption herein, or rejected by clearly contrary findings of fact herein, are hereby denied and rejected.

CONCLUSIONS OF LAW

Pursuant to Chapter 205 of the Hawaii Revised Statutes, as amended, and the Commission Rules, the Commission finds upon a preponderance of evidence that the reclassification of the lands within Phase I of the Property, and approximately shown on Exhibit "A" attached hereto and incorporated herein by reference, consisting of approximately 723 acres of land situate at Waipio, District of Ewa, Island of Oahu, State of Hawaii, identified as Oahu Tax Map Key Nos.: 9-5-01: 40, portion of 1, portion of 11 and portion of 16; and 9-5-02: portion of 1, from the Agricultural District to the Urban District for a single- and multi-family residential development, subject to the conditions in the Order, is reasonable, nonviolative of Section 205-2, Hawaii Revised Statutes, and is consistent with the Hawaii State Plan as set forth in Chapter 226, Hawaii Revised Statutes, as amended.

The Commission further concludes that inasmuch as full development of the lands within Phase II of the Property, as approximately shown in said Exhibit "A", consisting of approximately 477 acres of land, cannot be reasonably completed

within five years from the date of the Commission's decision in this matter, incremental districting of the lands within Phase II of the Petitioner's development identified as Oahu Tax Map Key 9-5-02: portion of 1, situate at Waipio, District of Ewa, Island of Oahu, State of Hawaii, from the Agricultural to the Urban District and amendment of the Land Use District Boundaries to permit the development of Phase II, subject to the conditions in the Order, is reasonable, nonviolative of Section 205-2, Hawaii Revised Statutes, and consistent with the Commission Rules.

ORDER

IT IS HEREBY ORDERED that a portion of the Property, identified as Phase I, consisting of approximately 723 acres, being the subject of Docket Number A87-609 by Mililani Town, Inc., situated at Waipio, District of Ewa, Island of Oahu, State of Hawaii, identified as Oahu Tax Map Key 9-5-01: portion of 1, portion of 11, portion of 16, 40; 9-5-02: portion of 1, and approximately identified on Exhibit "A", attached hereto and incorporated by reference herein, for reclassification from the Agricultural District to the Urban District, shall be and hereby is approved subject to the following conditions:

✓ 1. Petitioner shall provide housing opportunities for low, low-moderate, and moderate income Hawaii residents by offering for sale at least thirty percent (30%) of the units at prices which families with an income range of 80 to 120 percent

of Oahu's median income can afford and twenty percent (20%) of the units which families with an income range of 120 to 140 percent of Oahu's median income can afford. This condition may be fulfilled through projects under such terms as may be mutually agreeable between the Petitioner, City and County of Honolulu and the Housing Finance and Development Corporation of the State of Hawaii, or other appropriate governmental agency.

2. Petitioner shall coordinate with the Honolulu Board of Water Supply and the Department of Land and Natural Resources to obtain the required water for the project. In the event that water is not available from existing sources due to insufficient supply and/or the source is not contaminant free, the Petitioner shall fund and develop the necessary water source, storage, transmission facilities and filtration system.

3. Should any archaeological resources such as artifacts, shell, bone, or coral alignments, pavings or walls be encountered during the project's development, Petitioner shall immediately stop work and contact the State Historic Preservation Office.

4. Petitioner shall provide public access over the Property to public trail rights-of-way for Waikakalaua and Kipapa Valleys and the ridge mauka of the Property.

5. Petitioner shall fund and construct the necessary improvements to the Mililani Interchange, including the transitions to H-2, to accommodate traffic generated by the

proposed project on a schedule acceptable and in coordination with the State Department of Transportation.

6. Petitioner shall appoint and fund a transportation manager whose function is the formation, use and continuation of alternative transportation opportunities that would maximize the use of existing and proposed transportation systems. Petitioner shall construct and provide the operation of a park and ride facility or other activities to encourage transit use or ridesharing.

7. Petitioner shall inform prospective occupants of possible noise impacts from Wheeler Air Force Base and other military activities in the area, and will provide covenants in the deeds to prospective occupants to indemnify and defend the State of Hawaii and City and County of Honolulu in the event any suit is brought arising out of and resulting from inconvenience, disturbance and/or injury due to noise and/or other military activities in the area.

8. Petitioner shall participate in an air quality monitoring program with the State Department of Health.

9. Petitioner will ensure that there will be no loss of pineapple production as a result of the proposed development.

10. Areas designated by Petitioner for the university shall not be used for other purposes without prior Land Use Commission review and approval of the proposed alternative use or uses, unless the University of Hawaii notifies Petitioner not to locate at Mililani at the designated site.

11. Petitioner shall submit an annual report to the Land Use Commission and the Department of Business and Economic Development in connection with the status of the project and Petitioner's progress in complying with the conditions imposed.

IT IS ALSO HEREBY ORDERED that the remaining balance of the Property, identified as Phase II, consisting of approximately 477 acres, situated at Waipio, District of Ewa, Island of Oahu, State of Hawaii, identified as Oahu Tax Map Key 9-5-02: portion of 1, and approximately identified on Exhibit "A", shall be and the same is approved for incremental districting pursuant to Section 15-15-78 of the Commission Rules and that redistricting from the Agricultural to the Urban District will be granted upon receipt of an application by Petitioner for redistricting of this second increment upon a prima facie showing that there has occurred substantial completion of the on-site and off-site improvements within Phase I and in accordance with the Petitioner's development plan as indicated above, within five years of the date of this order, subject to the conditions as aforesaid.

DOCKET NO. A87-609 - MILILANI TOWN, INC.

Done at Honolulu, Hawaii, this 17th day of May 1988,
per motions on March 9, 1988 and May 11, 1988.

LAND USE COMMISSION
STATE OF HAWAII

By *T. P. Tacbian*
TEOFILO PHIL TACBIAN
Chairman and Commissioner

By *Frederick P. Whittemore*
FREDERICK P. WHITTEMORE
Vice Chairman and Commissioner


By *Robert S. Tamaye*
ROBERT S. TAMAYE
Commissioner


By *Richard B. F. Choy*
RICHARD B. F. CHOY
Commissioner

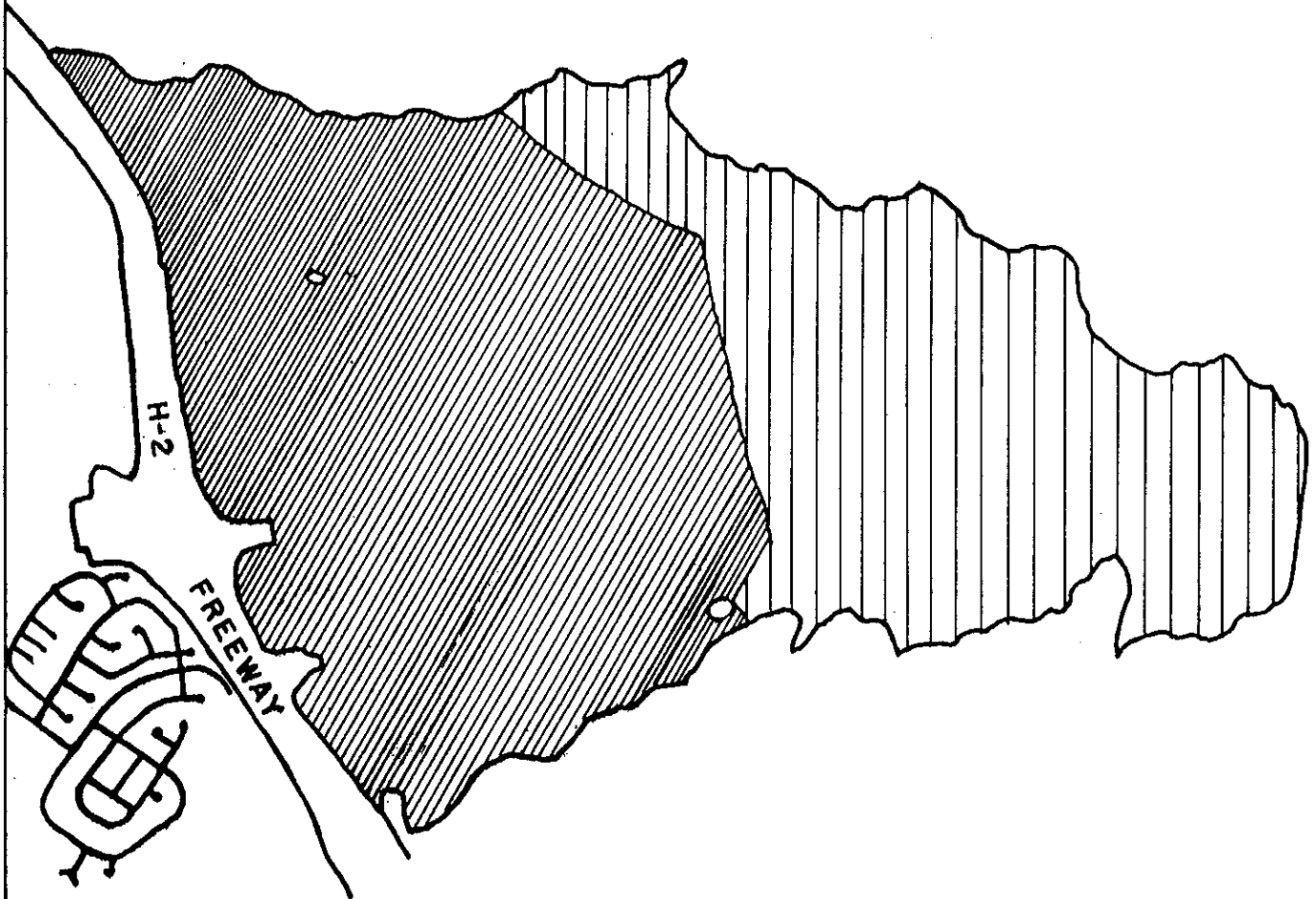
By *Toru Suzuki*
TORU SUZUKI
Commissioner

By *Lawrence F. Chun*
LAWRENCE F. CHUN
Commissioner

By *Everett L. Cuskaden*
EVERETT L. CUSKADEN
Commissioner

 AREA APPROVED (PHASE I-TMK No.:
9-5-01: por. 1, por. 11, por. 16,
40; 9-5-02; por. 1)

 AREA APPROVED FOR INCREMENTAL
DISTRICTING (PHASE II-TMK No.:
9-5-02: por. 1)



A87-609
MILILANI TOWN, INC.

EXHIBIT A

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of) DOCKET NO. A87-609
MILILANI TOWN, INC.) MILILANI TOWN, INC.
To Amend the Agricultural Land)
Use District Boundary into the)
Urban Land Use District for)
approximately 1,200.38 acres at)
Waipio, Ewa, Oahu, Hawaii, Tax)
Map Key Nos.: 9-5-01:40, portion)
of 1, portion of 11, portion of)
16; 9-5-02: portion of 1)

CERTIFICATE OF SERVICE

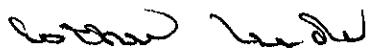
I hereby certify that a copy of the Findings of Fact, Conclusions of Law and Decision and Order was served upon the following by either hand delivery or depositing the same in the U. S. Postal Service by certified mail:

ROGER A. ULVELING, Director
Department of Business and Economic Development
State of Hawaii
250 South King Street
Honolulu, Hawaii 96813

cert. DONALD A. CLEGG, Chief Planning Officer
Department of General Planning
City and County of Honolulu
650 South King Street
Honolulu, Hawaii 96813

cert. JAMES T. FUNAKI, ESQ., Attorney for Petitioner
Okumura Takushi Funaki & Wee
Grosvenor Center, Suite 1400
733 Bishop Street
Honolulu, Hawaii 96813

Dated: Honolulu, Hawaii, this 17th day of May, 1988.


ESTHER UEDA, Executive Officer

DOCKET NO. A87-609 - MILILANI TOWN, INC.

A copy of the Land Use Commission's Findings of Fact, Conclusions of Law, and Decision and Order was served upon the following by regular mail on May 17, 1988.

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