

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)	DOCKET NO. A92-687
THE TRUSTEES UNDER THE WILL)	FINDINGS OF FACT,
AND OF THE ESTATE OF JAMES)	CONCLUSIONS OF LAW, AND
CAMPBELL, DECEASED)	DECISION AND ORDER
To Amend the Land Use District)	
Boundary of Approximately)	
1,781.122 Acres Situated at)	
Honouliuli, Ewa, Island of Oahu,)	
State of Hawaii from Agricultural)	
to Urban; TMK Nos.: 9-1-15: Por.)	
5, 17; 9-2-03: Por. 2 and Por. 5)	
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FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND DECISION AND ORDER

The Trustees Under the Will and of the Estate of James Campbell, Deceased, acting in their fiduciary and not in their individual capacities ("Petitioner"), filed a Petition with the Land Use Commission ("Commission") on December 24, 1992 pursuant to Hawaii Revised Statutes ("HRS") Chapter 205, as amended, and Title 15, Subtitle 3, Chapter 15, of the Hawaii Administrative Rules ("HAR"), as amended ("Commission Rules"), to amend the Land Use District Boundary to reclassify approximately 1,781.122 acres situated in Honouliuli, Ewa, Island of Oahu, Oahu Tax Map Key Numbers 9-1-15: Por. 5 and 17, and 9-2-03: Por. 2 and Por. 5, ("Property") from the Agricultural District to the Urban District to permit the development of the Makaiwa Hills project, which will include

residential units, a commercial area, parks, roads, and preservation land ("Project").

The Commission, having heard and examined the testimony and evidence presented during the hearing, the Petitioner's proposed findings of fact, conclusions of law and decision and order, the responses to Petitioner's findings of fact, conclusions of law, and decision and order by the City and County of Honolulu Planning Department ("Planning Department") and the Office of State Planning ("OSP"), respectively, the stipulation between Petitioner and the OSP re: proposed findings of fact, conclusions of law, and decision and order, and the Petitioner's position statement re: OSP's proposed condition nos. 26, 27 and 28, and good cause appearing therefrom, hereby makes the following findings of fact, conclusions of law and decision and order:

PROCEDURAL MATTERS

1. On December 24, 1992, Petitioner filed a Petition For Land Use District Boundary Amendment.

2. On February 2, 1993, Petitioner filed its First Amendment To Petition For Land Use District Boundary Amendment.

3. On March 15, 1993, a prehearing conference was held at the Old Federal Building, Conference Room 238, 335 Merchant Street, Honolulu, Hawaii with all respective parties present.

4. On April 1, July 15 and July 16, 1993, the Commission conducted hearings on the Petition pursuant to

notice published on February 19, 1993 in the Honolulu Star Bulletin, a newspaper of general circulation.

5. During the hearings, the Commission received written testimony and heard oral testimony by the Petitioner, the OSP for the State of Hawaii, and the Planning Department for the City & County of Honolulu ("City and County").

6. The Commission did not receive any petition to intervene in the proceeding and there were no public witnesses.

DESCRIPTION OF THE PROPERTY

7. The Property consists of approximately 1,781.122 acres of land located on the slopes of the Waianae Mountain Range, in the Ewa District, Island of Oahu. Farrington Highway forms the seaward (or southern) boundary of the Property, separating the Property from the residential communities of Honokai Hale and Nanakai Gardens and the Ko Olina Resort. Campbell Industrial Park lies to the south, the City of Kapolei lies southeast, and Makakilo City lies to the east of the Property. Preservation land and unimproved hillside lie to the north of the Property. To the west is the City and County of Honolulu's Waimanalo sanitary landfill.

8. The Property is identified by the following tax map key parcel designations:

TMK: 9-1-15: POR. 5 and 17

TMK: 9-2-03: POR. 2 and POR. 5

The lots within the Property are broken down by lot number, tax map key number, and land court certificate of title number as follows:

<u>Lot No.</u>	<u>TMK No.</u>	<u>TCT No.</u>
79	9-1-15: POR.5	15,790
4024	9-1-15: POR.5	15,790
4025	9-1-15: POR.5	15,790
4026	9-1-15: POR.5	15,790
4027	9-2-03: POR.2 & 5	15,790
4022-A-1	9-2-03: POR.2	15,790
5553-B	9-2-03: POR.5	347,108
2681	9-1-15: 17	192,508

9. The total project area for Makaiwa Hills encompasses approximately 1,842 acres ("Project Area"), of which approximately 61 acres are within the State Land Use Urban District and the remaining 1,781 acres are within the State Land Use Agricultural District. The Urban District land is located on the eastern side of the Project near Makakilo City, with an additional small area being used for the Ko Olina Resort traffic interchange.

10. Petitioner is the owner in fee simple of the Property. The Property consists of portions of the real property described in Land Court Certificates of Title Nos. 15,790, 192,508 and 347,108. Portions of the Property are currently leased to the Oahu Sugar Company, Ltd. and Rocker G. Livestock. These leases allow for partial withdrawal of lands for urbanization.

11. Under the existing Ewa Development Plan of the City and County of Honolulu, most of the Project Area is

currently designated for agricultural uses (zoned AG-2, general agriculture or AG-1, restricted agriculture) with smaller portions designated for low density apartment and residences (zoned R-5). Most of the Project Area is presently undeveloped with a portion leased for ranch land.

12. The Property rises in elevation from 50 feet at the makai boundary fronting Farrington Highway to 1,300 feet at its northern or mauka boundary. Three major gulches and three minor gulches transect the Property. Slopes as low as 2 percent exist in the southeastern corner of the Property. Across the plateaus and ridges, slopes of 10 percent are common, and steeper slopes are found within the gulches.

13. Vegetation on the Property is mainly tall grasses with clumps of scattered brush and eroded patches of ground. Kiawe and koa-haole shrubs are found in the gulch areas. Rainfall is light, with mean annual rainfall varying between 20 inches at the makai boundary to 30 inches at the mauka boundary.

14. Approximately 6% of the Project Area is rated as "prime" agricultural land according to the Agricultural Lands of Importance in the State of Hawaii ("ALISH") system. Under the overall productivity rating devised by the University of Hawaii Land Study Bureau, about 0.4% of the land has the highest rating of "A", 5.2% is rated "B", about 0.5% is rated "C", about 12.6% is rated "D" and 81.2% is classified with the lowest rating of "E".

15. Approximately 100 acres of flatland along the H-1 Freeway in the southeast portion of the Project Area consist of good soils and terrain conducive to commercial crop production. The land was formerly used for sugarcane production but is now used as a pasture for grazing cattle and horses. The balance of the Project Area is poorly suited for growing crops because the soils are rocky, the slopes are steep, and low-cost water is not available.

DESCRIPTION OF THE PROPOSED DEVELOPMENT

16. Petitioner proposes to develop the Project as one component of the Kapolei Master Plan. As proposed by Petitioner, the Project will consist of approximately 2,706 single family residences, 1,404 multi-family units, and a 78 acre commercial area. The focal point of the commercial area is currently planned by Petitioner as a regional mall of up to 1,000,000 square feet. Also included in the Project are park areas, roadways and preservation areas.

17. The approximately 1,781.122 acres that comprise the Property are allocated for land use purposes as follows:

Residential (2,706 units)	596.9
Low Density Apartment (1,404 units)	123.5
Commercial	78.0
Park	25.0
Circulation/Roads	66.0
Preservation/Open Space	<u>891.6</u>
TOTAL	1,781.0

18. The Project is planned as a moderate to upscale master-planned suburb of the City of Kapolei.

19. Grading within the Project Area is expected to be limited to the ridges and plateau areas where slopes are less steep, favoring development. The grading concept for the residential lots will be to provide a level pad area for the house, rather than levelling the entire lot.

20. The steep gulch areas will generally remain in their natural or undeveloped state. However, some grading in gulches may be required to support bridges and roadways between ridges. Grading operations will be in conformance with the applicable ordinances of the City and County.

21. The Project will be constructed in two phases. Completion of Phase I is estimated by the year 2005. The entire Project Area could be completed by the year 2015.

22. Petitioner's current plans include provision for onsite multi-family affordable housing units targeted at gap group income residents. In addition, Petitioner's current plans also include the development of offsite affordable rental units to be located north of the city of Kapolei, mauka of the H-1 Freeway and makai of Makakilo. The rental development will consist of low density apartments, with a target income of 50 to 140 percent of the median family income. The first phase of the affordable rental development would consist of 250 low density apartments, aimed at families earning between 50 and 80 percent of the median income. Ultimately, that site will accommodate 750 rental apartments to be built before or concurrent with the residential development of Makaiwa Hills.

23. Petitioner has a target of 60 percent affordable housing and supports a condition to meet the affordable housing guidelines of the State Housing Finance and Development Corporation.

24. The proposed project has land improvement costs of approximately \$275,000,000.00 onsite and \$27,500,000.00 offsite.

PETITIONER'S CAPABILITY TO
UNDERTAKE THE PROPOSED DEVELOPMENT

25. Petitioner's Balance Sheet and Income Statement as of November 30, 1992 lists current assets of \$185,324,378.23, current liabilities of \$35,513,480.70, total assets of \$466,736,620.46, total liabilities of \$206,243,885.14, and principal of \$260,492,735.32.

26. The Estate, in its current form, will terminate on January 20, 2007. The Estate is currently looking into various concepts to succeed the existing form. The successor to the Estate will continue to develop the project and will fulfill any outstanding commitments, including financial commitments, associated with the Project.

STATE AND COUNTY PLANS AND PROGRAMS

27. The Property is located within the State Land Use Agricultural District as reflected on Land Use District Boundary Map, O-6 (Ewa).

28. The City and County of Honolulu General Plan, as amended, encourages the development of a secondary urban center

at Kapolei and the Ewa and Central Oahu urban-fringe areas, to meet housing needs not readily provided in the primary urban center. The Property is in the Ewa urban-fringe area.

29. The Property is zoned by the City and County as AG-1 (Restricted Agriculture) and AG-2 (General Agriculture).

30. The Property is not located within the Special Management Area established by the City and County.

31. The City and County recommends denial of the petition based on the timing of the project in relation to the development of the secondary urban center and based on the general plan population guidelines.

32. The OSP's Oahu report on the State Land Use District Boundary Review supports the concept of developing the second city in Ewa. The developable portions of the subject Project (which excludes the gulches and lands with steep slopes) are recommended for urban reclassification in the Oahu report.

NEED FOR THE PROPOSED DEVELOPMENT

33. Petitioner's market analyst, The Hallstrom Appraisal Group, Inc. ("Hallstrom"), prepared a market analysis for the proposed Project. Hallstrom's study considered whether there is sufficient market demand to absorb the residential and commercial uses planned for Makaiwa Hills and whether the proposed development is an appropriate use of the Property from a market perspective. Hallstrom's research and inquiry program incorporated data derived through market investigation,

discussions with and material provided by governmental agencies, and other available public and private sources.

34. Significant projections for the Ewa/Kapolei subregion and the important elements of Makaiwa Hills are as follows:

a. Over the past two decades, the Ewa district has experienced an expansion that is twice the statewide average, with the residential population nearly doubling since 1970. By 2010, the population of the Ewa/Kapolei subregion is forecast to be as high as 150,000 people.

b. The effective de facto population of the project upon build-out would be about 11,315 persons.

c. A healthy and stable housing market in this Ewa/Kapolei subregion will require the construction of about 34,000 to 50,000 additional housing units by the year 2010, or an average of 1,700 to 2,600 new units per year.

d. Even if all of the presently proposed units for the Ewa/Kapolei subregion are developed, including the 3,700 residential/resort units at Ko Olina, the added housing inventory would be approximately 34,000 units. This may be sufficient to meet minimum demand levels, but inadequate to service probable moderate to maximum market demand requirements.

e. Makaiwa Hills will also provide moderate to upper-end priced housing units which are presently under-represented in the currently proposed housing inventory for the

Ewa/Kapolei region that is bolstered by large numbers of government-developed affordable housing units.

f. The availability of quality moderate to upper-end homes, commensurate with the evident market demand, will assist in achieving the long-term goal of alleviating the transportation problems of those workers who continue to move to the Ewa region because the region will now offer attractive housing alternatives for their employers and added incentive to move businesses to this region.

g. The 78-acre commercial site, currently planned as a regional mall, is located fronting H-1 freeway and a major interchange leading into both Makaiwa Hills and the City of Kapolei. The 78-acre commercial site will also service the growing consumer needs of nearby Campbell Business and Industrial Park, Ko Olina Resort and other Waianae Coast communities.

35. Petitioner also recognizes the major regional goal in Ewa is to provide affordable homes for workers in nearby employment centers, thereby lessening commuter burden on urban Honolulu transportation systems. To address this goal, Petitioner has agreed to work with the State Housing Finance and Development Corporation and the City & County to reach a mutual agreement on the number, location and distribution of affordable housing opportunities for low, low-moderate, and gap group income residents.

IMPACTS UPON RESOURCES OF THE AREA

Flora and Fauna

36. Petitioner's botanical consultant, Char & Associates, conducted a field study of the Property in the fall of 1990. The vegetation on the Property consists primarily of grassland with scattered trees and shrubs on the hillsides, thickets of kiawe trees in the gulch areas, and buffel grass and koa-haole on the level areas bordering Farrington Highway.

37. Of the 103 vascular plant species found during the survey, 91 (or 88.3%) are introduced or alien species and 12 (or 11.7%) are native to Hawaii. Of the 12 native species of plants found, 3 are endemic meaning they only occur in the Hawaiian Islands. These three endemic species are the kumu-niu fern, nehe, and pua-kala. However, these species are found on the steep, rocky gulch slopes where no development is planned because of the rugged terrain.

38. While native species were present, none of the plants were found to be officially listed, proposed, or candidate endangered or threatened species. The Project should not have a significant negative impact on the botanical resources.

39. Petitioner's botanical consultant expressed concern about soil erosion and recommended that landscaping of disturbed areas be undertaken as soon as possible.

40. In the summer of 1990, Petitioner's biological consultant, Professor Phillip L. Bruner of BYU Hawaii,

conducted a field survey of the bird and mammal species occurring on the Property. The survey found that the variety of habitats on the Property is relatively limited.

41. No native or otherwise rare or endangered species of birds were recorded during the survey. The only likely endemic species which might occasionally forage in the area is the short-eared owl or pueo. The pueo is listed by the Department of Land and Natural Resources, Division of Forestry and Wildlife, as endangered on Oahu. Sixteen species of introduced birds were observed during the study, the most abundant being the zebra dove and the red-vented bulbul.

42. There does not appear to be any unusual mammal activity in the Project Area. The only feral mammals observed in the Project Area were cats and mongoose.

43. There appears to be no significant negative impact on the fauna caused by the Project and no mitigative measures were recommended.

Archaeological and Historical Resources

44. Petitioner's archaeological consultant, Cultural Surveys Hawaii, conducted a survey and site inventory of the archaeological resources located at the Property. The survey, conducted over a period of 25 days in the fall of 1990 and updated in April of 1991, recorded 34 archaeological and/or historical sites, including habitation structures, rock shelters, petroglyphs, ahu(s), and agricultural features relating to sugarcane cultivation and cattle ranching.

45. Eighteen of the recorded sites are considered likely to yield important historical and prehistorical information. Of these eighteen, four sites are considered excellent examples of site types and are being given strong consideration for preservation.

46. With respect to all of the sites recorded, Petitioner has indicated that data recovery and preservation plans will be prepared and submitted to the Department of Land and Natural Resources ("DLNR") for review and approval. Petitioner represents that adjustments to the development project will be made to accommodate the plans approved by the DLNR and appropriate monitoring and evaluation procedures will be utilized to address any unknown archaeological features discovered during development.

Scenic and Visual Resources

47. Petitioner enlisted the assistance of a landscape architect, Michael S. Chu, to prepare a visual assessment of the Property and the Project.

48. Existing views from within the Property include panoramic, unobstructed vistas of Barbers Point Harbor, the Ko Olina Resort and shoreline, and the expansive landscape of the Ewa Plain. However, these onsite views are not currently available to the public. Currently, the public is most familiar with mauka views of this area from Farrington Highway, which are less significant because the line of sight from the highway is relatively shallow.

49. Construction of the Project will change the open, undeveloped character of the Property to a suburban environment. Petitioner represents that these changes are not inconsistent with changes in the visual character of the Ewa District over the past few years.

50. Greater portions of the Property will become usable and visible for public enjoyment through the development of the onsite roadway system and possible passive recreational developments in the Preservation areas, such as hiking trails and other outdoor uses. Even after development, panoramic views of the Ewa Plain and the coastline from within the Property are expected to continue to be dramatic, and in some instances enhanced by planning and design measures including setbacks, appropriate site layout and building design, landscaping features, and planned open space and recreational areas.

Air Quality

51. Petitioner's air quality analyst, J. W. Morrow, prepared an impact report for the Project. The report concludes that there will be short-term air quality impacts associated with site preparation and construction. The greatest long-term air quality impact in the region will be generated by increased motor vehicle traffic as a result of not only the Project, but the rest of Ewa-area development.

52. Dust levels associated with construction activities may be mitigated by frequent watering of exposed

soil areas and the soonest possible landscaping and roadway paving. In addition, the use of dust screens may be employed when construction activities occur in close proximity to already developed areas.

53. There will be short-term air quality impacts associated with asphalt and concrete batch plants, which provide the material for roads and building foundations. However, these plants will have Department of Health permits and will be in compliance with air pollution control rules.

54. Even without the Project, there will continue to be an increase in carbon monoxide levels along the Farrington Highway/H-1 Freeway corridor. However, even in the worst case meteorological conditions that may occur during peak traffic hours, the state and federal air quality standards will generally continue to be met. Further, mitigation measures to be encouraged by the Petitioner would include development and use of a public transit system, increased bus service to the area, carpooling, and development of in-home or near-home employment opportunities.

55. Other existing sources of air pollution which may affect air quality in the Ewa region include the Campbell Industrial Park, Kahe Power Station and Waimanalo Gulch Landfill. However, under prevailing wind conditions Makaiwa Hills is upwind from these sources. Only during less frequent southerly (kona) winds might emissions affect Makaiwa Hills

residents. Petitioner indicates that future buyers at Makaiwa Hills will be advised of this possibility.

Noise Impacts

56. Petitioner's environmental noise study was conducted by Darby & Associates under the direction of acoustical engineer, David L. Adams. The study determined that apart from locations near Farrington Highway, most of the project site is currently exposed to relatively low noise levels. Wind is usually the dominant noise source, although aircraft and distant traffic are at times audible.

57. With respect to aircraft, all but a small area near the mauka/Diamond Head corner of the site is exposed to noise levels associated with the Honolulu International Airport and the Naval Air Station at Barbers Point ("NASBP"). Noise levels as high as 77 DBA were recorded at a portion of this site. The State Department of Transportation stipulates an aircraft exposure limit of 60 Ldn for residential buildings. The closing of the NASBP may have a mitigating effect on aircraft noise, but the future use of the NASBP is presently uncertain.

58. The State Department of Transportation comments that there is potential for aircraft overflights.

59. Some of the residential areas of the Project near Farrington Highway will be exposed to traffic noise levels in excess of Department of Housing & Urban Development limits. Effective noise mitigation measures in this area may include,

among other things: walls or landscaped earth berms next to the highway; limiting the use of jalousie windows to non-critical areas, such as bathrooms and laundries; sound absorbing materials and treatments in bedrooms; and orienting homes so that bedroom windows do not face the highway or, if this is not possible, providing air-conditioning so that bedroom windows may be closed.

60. Noise from the planned commercial area of the Project, Hawaiian Electric's Kahe Power Station, and the Waimanalo Gulch Sanitary Landfill should not have a significant impact on the Project because of shielding provided by the intervening landscape and the prevailing wind direction blowing mauka to makai away from the project site. In addition, use of the same measures employed in the areas near Farrington Highway may be used where necessary to acceptably mitigate noise levels.

Agricultural Resources

61. Petitioner's economic and financial consultant, Dr. Bruce Plasch of Decision Analysts Hawaii, Inc., prepared an analysis of the agricultural impacts of the Project, which concluded that the majority of the Property is poorly suited for agricultural uses.

62. Approximately 100 acres of land within the Project Area is rated as "prime" agricultural land according to the Agricultural Lands of Importance in the State of Hawaii ("ALISH") system. These 100 acres consist primarily of flatland along the H-1 Freeway in the southeast portion of the

Project Area. The land was formerly used for sugarcane production and, more recently, was used as a pasture for grazing cattle and horses.

63. Aside from these 100 acres, the balance of the Project Area is poorly suited for growing crops because the soils are rocky, the slopes are steep, and low-cost water is not available. It is currently used as part of a 3,800 acre ranch for grazing cattle.

64. It appears that only about a dozen agriculturally-related jobs will be affected by the Project development. Of these agricultural jobs, the sole operator of one livestock grazing operation holds another full-time job and the nine part-time jobs associated with Rocker G. Livestock Company's operation on the Property are not expected to be eliminated by that company.

65. The release of the Property from agricultural uses will not significantly affect Hawaii's diversified agriculture or cattle industries because ample agricultural lands continue to be freed from plantation agriculture and there is a sufficient supply of available grazing land in the State.

66. Since the Project will not affect any sugar or pineapple operations, it will not conflict with State and County plans which call for the preservation of the economic viability of plantation agriculture. The Project is also consistent with the State Department of Agriculture's position

in support of developing homes in the foothills of the Waianae Mountains rather than on the fertile plains below.

Water Resources

67. Petitioner estimates that the average daily potable water demand for the Project will be about 2.15 million gallons per day (MGD). The average daily nonpotable demand for irrigation is estimated at 0.25 MGD.

68. Petitioner has represented that it is participating in the following efforts to satisfy the increased regional demand for potable water for Makaiwa Hills and other Ewa/Kapolei developments:

a. Development of a well field in upper Honouliuli, which currently has six wells that can supply approximately 6.7 MGD of potable water;

b. A pilot project desalinization plant which can be expanded to provide as much as 10 MGD of desalinated potable water;

c. Securing from Hawaiian Electric Company a potable water allocation from the Waiau shaft; and

d. Reducing the potable water requirements for the Project by planning a dual water system using potable and nonpotable water (nonpotable water being used to irrigate the planned commercial area, school and park).

e. Studying wastewater reuse, whereby the sewage effluent from Honouliuli Wastewater Treatment Plant might be utilized through a treatment process for irrigation purposes.

69. Petitioner, also a member of the Ewa Plain Water Development Corporation, has represented that the revised draft of the Ewa Water Master Plan will include the Project.

ADEQUACY OF PUBLIC SERVICES AND FACILITIES

70. To assist in its analysis of drainage, water distribution, wastewater management, solid waste removal, and power and communications, Petitioner used the firm of Engineering Concepts, Inc. ("ECI").

Drainage

71. There are no existing drainage improvements on the Property. Fifteen drainage culverts along Farrington Highway convey runoff under the highway to down stream drainage systems.

72. Development of Makaiwa Hills is expected to increase the rate of peak runoff and runoff volume by about 17 percent. Peak runoff and runoff volume for the 10-year storm are estimated to be 4,330 cfs and 275 acre-ft., respectively. For the 50-year storm these figures increase to 5,243 cfs and 337 acre-ft., respectively.

73. Plans for drainage systems at neighboring Honokai Hale, Ko Olina, and Kapolei Business and Industrial Park have considered the future development of Makaiwa Hills and, therefore, drainage impacts of Makaiwa Hills on these downstream developments is not expected to be adverse. Analysis of these downstream drainage systems shows that these systems will accommodate peak storm runoff from Makaiwa Hills.

74. Petitioner represented that a master plan for drainage improvements for Makaiwa Hills will be prepared and submitted to the City and County Department of Public Works.

Water Service

75. The Board of Water Supply ("BWS") distribution system does not currently extend onto the petition area.

76. The Project will require onsite potable water storage and transmission improvements. Because of site topography, two separate potable water distribution systems are planned by the Petitioner.

77. The proposed eastern distribution system, which will service 80 percent of the project's demand, will require eleven reservoirs and ten booster pumping stations. The western distribution system will service one developed ridgeline and will require four reservoirs and four booster pumping stations.

78. Petitioner represented that the proposed water system will be designed in accordance with BWS standards and will be dedicated to the BWS for operation and maintenance.

79. Petitioner further represented that, in an effort to reduce the potable water requirements for the Project, a dual water system using potable and nonpotable water is planned. Nonpotable water would be used to irrigate the planned commercial area, school and park.

80. The BWS states that water demands for the Project should be met with new sources and water facilities provided

and installed by the Petitioner, through the Ewa Plains Water Development Corporation.

Wastewater Management

81. Petitioner's engineering consultant ECI, estimates that wastewater generated by the Project is expected to be of typical domestic composition with a total average flow rate of about 1.55 MGD.

82. The Project will require development of an onsite collection system, including gravity sewers, force mains and sewage pumping stations, which Petitioner represented will be designed in accordance with City and County Sewer Standards. In addition, construction of a 21-inch offsite sewer will be required to convey wastewater to the existing Ko Olina interceptor.

83. The existing Ko Olina and Makakilo interceptors do not have the capacity for future wastewater flows from Makaiwa and other planned developments. To address this problem, proposed improvements include relief sewers for the Ko Olina and Makakilo interceptors.

84. Petitioner recommended that the wastewater collection system for the Project be connected to the municipal sewer system for conveyance to the Honouliuli Wastewater Treatment Plant. Capacity expansion of the Honouliuli treatment plant will be required to accommodate increased flows from area development. According to Petitioner, planned

capacity expansion of the plant is expected to precede the Makaiwa Hills development.

85. Implementation of the proposed improvements and sewer connection is subject to approval of the City and County Division of Wastewater Management ("DWM"). A regional wastewater plan for Campbell Estate lands in the Kapolei and Makaiwa areas has been reviewed and approved by DWM, subject to approval of individual applications for sewer connections for each project in the study area.

86. Petitioner plans to submit a sewer master plan and connection application for the Project to DWM.

Solid Waste Disposal

87. Once the Project is complete, Petitioner estimates that solid waste generation from Makaiwa Hills is expected to be about 33 tons/day.

88. Petitioner expects that residential refuse will be collected by the City and County, and private collection companies will service the commercial area of the Project.

89. Landfill capacity on the leeward side of Oahu is not a problem at present since most combustible refuse is deposited at the City and County's H-POWER waste energy recovery facility. Refuse from the Project is expected to be typical for a municipal source and should not have a significant impact on leeward Oahu solid waste disposal facilities.

90. The State of Hawaii has established mandated waste diversion and recycling rates of twenty-five percent by the year 2000. The City and County's waste diversion and recycling goals are more stringent than the State's. The State Department of Health recommends that the Petitioner commit to implementing the goals for waste reduction before the land use district boundary amendment is granted.

Power and Communications

91. Petitioner anticipates that Hawaiian Electric Company and Hawaiian Telephone Company will provide power and phone service to the Project.

92. The diversified power demand for the entire Project is estimated to be 16.8 MVA. Power supply is planned to come from existing substations at Kahe Point, Makakilo, and the future Kapolei B Substation.

93. Petitioner also anticipates possible implementation of energy efficient building designs in an effort to minimize energy consumption.

Roadway and Highway Services and Facilities

94. The main highways presently serving the Ewa region are the H-1 Freeway and Farrington Highway. Kalaeloa Boulevard provides access to Barbers Point Harbor and Campbell Industrial Park.

95. Petitioner's traffic engineers, Pacific Planning & Engineering, Inc. ("PP&E"), conducted a study to identify and assess future local and regional traffic impacts generated by

the Project. PP&E's written report contains a detailed analysis of existing and projected future traffic volumes, trip generation for Makaiwa Hills and other projects in the area, and a level-of-service analysis of travel speeds, density and flow rates for affected highway segments and access ramps.

96. The Project along with other developments in the Ewa region, including Ko Olina, The City of Kapolei, Barber's Point Harbor and Kapolei Business-Industrial Park, will significantly impact traffic conditions on Farrington Highway and the H-1 Freeway. The Project exacerbates the traffic conditions along Farrington Highway and the H-1 Freeway.

97. Major improvements to the existing highway system would be required to accommodate the traffic generated by the Project and others. Regional traffic impacts will likely require the following improvements in the vicinity of Makaiwa Hills:

- a. Construction of the Kapolei Parkway;
- b. Construction of additional ramps to the Palailai Interchange;
- c. Relocation or deletion of the connection of Farrington Highway to Kalaeloa Boulevard;
- d. Increasing the capacity of Farrington Highway and the H-1 Freeway by widening those roads in certain locations; and
- e. The promotion of alternative modes of transportation, such as a mass transit system, increased bus service to the area and carpooling programs.

The following improvements will likely be necessary to mitigate local traffic impacts from the Project:

- f. Widening Farrington Highway from four lanes to six in the Project Area;

- g. Construction of the Kapolei Parkway from the North-South Road to the Ko Olina Development; and
- h. Construction of appropriately designed interchanges to connect Makaiwa access roads to Farrington Highway.

98. Petitioner indicates that the new interchanges will be built to State Department of Transportation design and level-of-service standards.

99. Most of these roadway improvements are included in the present draft of the Ewa Region Highway Transportation Master Plan, which was completed in January 1992 and recently updated in November 1992.

100. Petitioner, along with other area developers, provided funding for the Ewa Region Highway Transportation Master Plan. Together with the State Department of Transportation, the City and County Department of Transportation Services and other State and City and County planning agencies, Petitioner participated in development of the Master Plan.

101. The purpose of the Ewa Region Highway Transportation Master Plan is to coordinate future land use and transportation planning activities by forecasting future traffic in the region, identifying necessary improvements, and determining a fair distribution of costs for those improvements.

102. The Oahu Metropolitan Planning Organization ("OMPO") has adopted the Ewa Region Highway Transportation Master Plan as part of its long-range plan. The State Department of Transportation and the City and County Department

of Transportation Services are now initiating actions to fund the 1997 phase of the plan, including fair cost sharing agreements with the major developers.

103. Petitioner is also coordinating improvements to the existing Makakilo and Palailai Interchanges with the State Department of Transportation and the Federal Highways Administration.

104. OSP has expressed concern over bicycle, pedestrian and other alternative transportation modes, and appropriate access between the Project and The City of Kapolei.

105. With respect to access between the Project and The City of Kapolei, roadway planning includes grade-separated interchanges along Farrington Highway. Such grade-separated interchanges will not only provide access to Makaiwa Hills from the highway, but will also allow automobile, bicycle and pedestrian traffic to pass under the highway where they can link up with roadway systems and bikeways planned for The City of Kapolei.

106. With respect to bikeways, Petitioner has developed the Kapolei Regional Bike Plan with approximately 55 miles of planned bikeways serving the City of Kapolei, with extensions throughout the Ewa region.

107. Petitioner is also a founding member of the Leeward Oahu Transportation Management Association ("LOTMA"). LOTMA is an organization of area landowners and developers, whose goal is to provide leadership in addressing regional

transportation and mobility issues through the member's combined resources and unified efforts of the public and private sectors. Some of LOTMA's achievements include implementation of an express commuter bus service to the Kapolei area, and the Ride Share Hawaii and Beat the School Jam programs.

Schools

108. Petitioner's Social Impact Assessment ("SIA") of the Project was prepared by Earthplan and included an analysis of the Project's impacts on public education facilities.

109. It is estimated that the Project will generate approximately 870 elementary students, 230 intermediate students, and 345 high school students.

110. Schools in the vicinity of Makaiwa Hills are Makakilo Elementary, Ilima Intermediate and Campbell High Schools. School officials predict that these schools will be operating beyond capacity at the time the Project is completed. The State Department of Education cannot assure the availability of classrooms to accommodate the students from this development.

111. Four new public schools are planned for the Ewa region, including a second Ewa Elementary School, Kapolei Elementary School, and Kapolei Intermediate and High Schools. There is also a proposed elementary school at Makaiwa Hills, which will help mitigate that project's impacts on offsite schools.

112. The State Department of Education requests that Petitioner make a contribution to the satisfaction of the Department of Education for needed school facilities attributable to this project. For elementary school sites, DOE requires eight acres of usable land next to a four-acre public park or a site of 12 usable acres, if a park is not available.

113. Seagull Schools, Inc. has committed to build the State's largest child care center in the City of Kapolei.

Recreation Facilities

114. The parks nearest the Property are Kamokila Park, Makakilo Community Park, Mauka Lani Neighborhood Park, and Makakilo Playground.

115. Petitioner intends to meet some of the recreational needs of the Makaiwa Hills residents by providing 25 acres for park use (i.e., ballfields). Some of the steeper lands in the petition area, which have been designated for preservation, may be used for passive recreation, such as hiking.

116. The OSP and the DLNR's Division of State Parks, have stated that lands mauka of the Property and Makakilo are possible natural resource areas and are potential sites for state parks that would benefit the entire Ewa community as well as visitors and other residents.

117. Petitioner supports the idea of establishing a mountain park on the lands mauka of the petition area and is

working with the Division of State Parks and the Office of State Planning on how that can be accomplished.

118. Petitioner does not have any current plans to include golf course uses in the Project.

119. The City and County has proposed that a major recreational complex known as Ewa Central Park be established outside of the Property along Kunia Road.

Police Protection

120. Police protection for the Ewa region is currently handled by the Pearl City Police Station.

121. Development in the Ewa/Kapolei region, including the Project, will increase the need for public services such as police protection.

122. The regional planning for this increased need should include a full-service police station in the City of Kapolei, with proposed substations in Ko Olina and Ewa Beach.

Fire Protection

123. First responses to fire alarms at the Project Area are provided by the engine company at the Makakilo Fire Station and the engine and ladder companies at the Waipahu Fire Station.

124. To meet the increased demand for regional fire protection, plans include new fire stations in Campbell Industrial Park, Ko Olina, and Tenny Village. In addition, an on-site fire station is planned for Makaiwa Hills to mitigate local impacts of the Project.

Emergency Medical Services and Health Care Facilities

125. The existing or additional planned medical and child care facilities for the region will service the Project.

126. Currently, residents in the Ewa region receive medical services from St. Francis-West Hospital, Moanalua Kaiser Medical Center, Pali Momi Medical Center and numerous medical clinics and doctor's offices in the region.

127. St. Francis-West Hospital is presently seeking approval from the State and the City and County to increase its land area and further develop the hospital according to its five-year master plan, which calls for research and wellness facilities, an office building, day care and skilled nursing facilities, and other support facilities.

128. Emergency ambulance services are provided to the area by City ambulances in Aiea, in addition to ambulance units at the Waipahu and Makakilo Fire Stations.

Civil Defense

129. The Office of the Director of Civil Defense, State Department of Defense states that the Project Area may be exposed to high winds due to its topography and location on the slopes of the Waianae Mountains. Structures built in the Project Area should be designed and constructed to withstand the force of winds resulting from orographic amplification.

130. The Office of the the Director of Civil Defense recommends that new siren alerting devices be purchased and

installed by the Petitioner in the Project Area in accordance with Civil Defense instructions.

SOCIAL AND ECONOMIC IMPACTS

131. Development of the Project will meet some of the residential and commercial needs of the growing Ewa population, which currently are not being addressed by other projects.

132. The Project contributes to a diversified residential inventory that not only provides affordable units, but is also attractive to a target market sector that would otherwise be lost in the Ewa/Kapolei region. This balanced residential inventory will assist in making the Ewa region desirable as a location for business ventures.

133. The commercial aspect of the Project will be supported by the growing consumer demands of the region and will create many job opportunities for area residents.

134. It is estimated that direct employment generated by the Project will be about 3,120 jobs, including 2,980 jobs associated with the 78-acre commercial area and another 140 jobs maintaining and refurbishing homes within the Project. Other jobs will be indirectly supported by the Project including approximately 1,700 jobs provided by companies that supply goods and services to the commercial activities, approximately 2,200 jobs supported by consumption expenditures by the Project's residents, and over 600 government jobs supported by State and City and County tax revenues generated by the Project.

135. It is estimated that on the State level, construction activity of the Project will generate about \$94 million (1992 Dollars) in State tax revenues, including revenues from excise, corporate income and conveyance taxes. Estimates of State and City and County revenues and expenses are hereinafter expressed in terms of 1992 dollars.

136. Estimated "rollback" taxes of \$3.1 million will be due the City and County when the Project Area is withdrawn from agricultural zoning and developed.

137. It is estimated that at full development, State tax revenues from the Project should approximate \$67 million per year, primarily from excise and income taxes. The State's primary capital expenditure will be in the area of school improvements at an estimated cost of \$20.7 million, with an annual debt service of \$1.8 million. In addition, the State will incur annual expenditures of about \$20.8 million for general government, health, education, highways and other services. The difference between annual revenues and expenses results in an annual positive net of approximately \$44.4 million.

138. It is estimated that the City and County tax revenues from the Project at full development are expected to reach \$12.9 million annually, primarily from property taxes and secondarily from other taxes and fees associated with sewers, water, and transportation. Capital improvement costs to the

County of about \$5.9 million, with an annual debt service of about \$600,000, will be directed toward the City and County's proportional share of a district park, and police and fire stations. City and County expenditures on the services needed to support Makaiwa Hills are projected to be in the range of \$8.2 million annually. Annual revenues are thus expected to exceed expenditures, including debt service, by an estimated \$4.1 million.

CONFORMANCE WITH URBAN DISTRICT STANDARDS

139. The Property is appropriate for Urban District classification pursuant to §15-15-18 of the Commission Rules for the following reasons:

a. The Project will be characterized by "city-like" concentrations of people, structures, streets, urban level of services and other related land uses.

b. The Property is located in close proximity to such trading and employment centers of Campbell Industrial Park, Barbers Point Harbor, Ko Olina Resort, Kapolei Commercial-Industrial Park, the City of Kapolei and the NASBP. In addition, the approximately 78 acre commercial area planned for Makaiwa Hills will service the new community and create an estimated 2,980 jobs.

c. Petitioner has demonstrated the economic feasibility of the Project and Petitioner's financial capability to carry out the Project.

d. The Property has satisfactory topography and drainage and is suitable for the planned residential, commercial and recreational uses.

e. The Property adjoins or is in the vicinity of areas already classified as Urban, including Makakilo, Ko Olina and the new City of Kapolei.

f. The Property is appropriate for new urban concentrations, consistent with the Hawaii State Plan, the City and County of Honolulu General Plan and the Development Plan for Ewa.

g. Because the Property is in close proximity to urban lands in an area that has been designated for urban expansion, the reclassification will not contribute toward scattered spot urban development. Furthermore, the Project will not require an unreasonable investment in public infrastructure or support services.

h. Slopes as low as 2 percent exist at the southeastern corner of the Project Area. Across the plateaus and ridges, slopes of about 10 percent are common. Slopes are steeper within the gulches on the Project Area, varying from 15 to 50 percent. However, the Project Area is suitable for urban purposes, as discussed above. Further, extensive preservation areas are planned so as to maintain, if not enhance, the value and accessibility of the open space amenities and scenic views at the Project Area.

CONFORMANCE WITH THE HAWAII STATE PLAN

140. The proposed reclassification of the Property addresses the following goals, objectives, policies and priority guidelines of the Hawaii State Plan, HRS Chapter 226: State Goals

- a. A strong, viable economy, characterized by stability, diversity, and growth, that enables the fulfillment of the needs and expectations of Hawaii's present and future generations. (Haw. Rev. Stat. §226-4(1))
- b. A desired physical environment, characterized by beauty, cleanliness, quiet, stable natural systems, and uniqueness, that enhances the mental and physical well-being of the people. (Haw. Rev. Stat. §226-4(2))
- c. Physical, social, and economic well-being, for individuals and families in Hawaii, that nourishes a sense of community responsibility, of caring, and of participation in community life. (Haw. Rev. Stat. §226-4(3))

The development of Makaiwa Hills is envisioned to be a physical environment characterized by beauty, cleanliness, quiet, stable natural systems and uniqueness. The Makaiwa Hills community, with its full complement of residential and employment opportunities, and commercial and public facilities

will help achieve a strong, viable economy characterized by stability, diversity and growth.

Objectives and Policies for Population

141. The proposed reclassification of the Property addresses the following population growth and land resources priority guidelines:

- a. Manage population growth statewide in a manner that provides increased opportunities for Hawaii's people to pursue their physical, social, and economic aspirations while recognizing the unique needs of each county. (Haw. Rev. Stat. §226-5(b)(1))
- b. Promote increased opportunities for Hawaii's people to pursue their socio-economic aspirations throughout the islands. (Haw. Rev. Stat. §226-4(b)(3))
- c. Ensure that adequate support services and facilities are provided to accommodate the desired distribution of future growth throughout the State. (Haw. Rev. Stat. §226-104(a)(3))
- d. Encourage urban growth primarily to existing urban areas where adequate public facilities are already available or can be provided with reasonable public expenditures, and away from areas where other important benefits are present,

such as protection of important agricultural land or preservation of lifestyles. (Haw. Rev. Stat. §226-104(b)(1))

- e. Make available marginal or nonessential agricultural lands for appropriate urban uses while maintaining agricultural lands of importance in the agricultural district. (Haw. Rev. Stat. §226-104(b)(2))

The Property is located in the Ewa Development Plan Area where State and City and County policies encourage population growth. To help support this projected population growth, the Project will provide a wide variety of job and housing opportunities, including affordable housing units for sale and rent.

142. Existing and planned additional support services can be reasonably provided to the Project. Petitioner is also a member of the Ewa Plain Water Development Corporation. Water system requirements for the Project have been considered in regional water system planning and the Ewa Water Master Plan is being updated accordingly.

143. The Project is also consistent with the State Department of Agriculture's position advocating the development of homes in the foothills of the Waianae Mountains rather than on the fertile agricultural plains below. The soil on the project site is, for the most part, of poor agricultural quality.

Objectives and Policies for the Economy - In General

144. The proposed reclassification of the Property addresses the following objectives and policies for the economy:

- a. Increased and diversified employment opportunities to achieve full employment, increased income and job choice, and improved living standards for Hawaii's people. (Haw. Rev. Stat. §226-6(a)(1))
- b. A steadily growing and diversified economic base that is not overly dependent on a few industries. (Haw. Rev. Stat. §226-6(a)(2))
- c. Seek broader outlets for new or expanded Hawaii business investments. (Haw. Rev. Stat. §226-6(b)(3))
- d. Expand existing markets and penetrate new markets for Hawaii's products and services. (Haw. Rev. Stat. §226-6(b)(4))
- e. Strive to achieve a level of construction activity responsive to, and consistent with, state growth objectives. (Haw. Rev. Stat. §226-6(b)(6))
- f. Stimulate the development and expansion of economic activities which will benefit areas with substantial or expected employment problems. (Haw. Rev. Stat. §226-6(b)(10))

The number of construction jobs required to build the Project is estimated to average about 640 jobs, with an average of over 1,000 construction-related jobs. At full operation, direct employment generated by the Project is projected to be about 2,980 jobs associated with the planned commercial activities, with another 140 jobs to maintain homes. In addition, thousands of consumer-related and government jobs will be indirectly supported by the Project. Further, the balanced residential inventory at the Project will assist in making the Ewa region desirable as a location for business ventures, as there will be attractive housing alternatives for employers in the region.

Objectives and Policies for the Physical Environment

145. The proposed reclassification of the Property addresses the following objectives and policies for the physical environment:

- a. Take into account the physical attributes of areas when planning and designing activities and facilities. (Haw. Rev. Stat. §226-11(b)(3))
- b. Pursue compatible relationships among activities, facilities and natural resources. (Haw. Rev. Stat. §226-11(b)(8))
- c. Promote the preservation and restoration of significant natural and historic resources. (Haw. Rev. Stat. §226-12(b)(1))

- d. Promote the preservation of views and vistas to enhance the visual and aesthetic enjoyment of mountains, ocean, scenic landscape, and other natural features. (Haw. Rev. Stat. §226-12(b)(3))
- e. Encourage the design of developments and activities that complement the natural beauty of the islands. (Haw. Rev. Stat. §226-12(b)(5))

The proposed development plan for the Project takes into account the hundreds of acres of natural gullies and ravines which transect the Property. These areas will be maintained in a preservation category, which will serve to enhance the visual open space amenity of the community and, in some instances, provide for passive recreational activities. The Project will also make available the panoramic vistas from within the Project Area, which are not currently open to the public. Petitioner also has plans to study and preserve the significant historical and archaeological sites in the project area.

Objectives and Policies for Socio-Cultural Advancement--Housing

146. The proposed reclassification of the Property addresses the following objectives and policies for the socio-cultural advancement of housing:

- a. The orderly development of residential areas sensitive to community needs and other land uses. (Haw. Rev. Stat. §226-19(a)(2))
- b. Increase home ownership and rental opportunities and choices in terms of quality, location, cost,

densities, style, and size of housing. (Haw. Rev. Stat. §226-19(b)(3))

- c. Promote design and location of housing developments taking into account the physical setting, accessibility to public facilities and services, and other concerns of existing communities and surrounding areas. (Haw. Rev. Stat. §226-19(b)(5))

The Project will provide Hawaii's residents with a full service community offering a wide variety of quality homes in a manner that is sensitive to community needs and other land uses in the region. The planned mix of housing types also includes affordable homes and multi-family units for sale and rent, both on and offsite, that will be targeted at people making between 50 and 140 percent of the median income. Petitioner's plan also accounts for preservation and incorporation of the site's important natural features and resources.

Objectives and Policies for Socio-Cultural Advancement--Education

147. The proposed reclassification of the Property addresses the following objectives and policies for the socio-cultural advancement of education:

- a. Ensure the provision of adequate educational and accessible educational services and facilities that are designed to meet individual and community needs. (Haw. Rev. Stat. §226-21(b)(2))

- b. Assist individuals, especially those experiencing critical employment problems or barriers, or undergoing employment transitions, by providing appropriate employment training programs and other related educational opportunities. (Haw. Rev. Stat. §226-21(b)(6))

The proposed elementary school at Makaiwa Hills, together with the four new elementary, intermediate and high schools planned for the Ewa region, are being planned to ensure the provision of adequate and accessible educational services and facilities to meet the growing needs of the region.

148. Petitioner is a member and is assisting in the funding of the West Oahu Employment Corporation ("WOEC"). WOEC, in cooperation with other organizations, is helping to educate and improve the qualifications of area residents for a variety of employment opportunities from entry-level to management positions.

Objectives and Policies for Facility Systems--Transportation

149. The proposed reclassification of the Property addresses the following objectives and policies for facility systems related to transportation:

- a. Design, program, and develop a multi-modal system in conformance with desired growth and physical development as stated in this chapter. (Haw. Rev. Stat. §226-17(b)(1))

- b. Encourage a reasonable distribution of financial responsibilities for transportation among participating governmental and private parties. (Haw. Rev. Stat. §226-17(b)(3))
- c. Coordinate intergovernmental land use and transportation planning activities to ensure the timely delivery of supporting transportation infrastructure in order to accommodate planned growth objectives. (b)(12) was recently added to this section by Act 149, Session Laws of Hawaii (1993). (Haw. Rev. Stat. §226-17(b)(12))

Petitioner, along with other area developers, provided funding for the Ewa Region Highway Transportation Master Plan and together with the State Department of Transportation, the City and County Department of Transportation Services and other State and City and County planning agencies, participated in its preparation. The purpose of the transportation master plan is to forecast future traffic in the region as it relates to planned land uses, identify necessary improvements, and determine a fair distribution of costs for those improvements. The updated plan has been adopted by the Oahu Metropolitan Planning Organization ("OMPO"), and State and City and County transportation agencies are now initiating actions to fund the 1997 phase of the Master Plan, including fair cost sharing agreements with the major developers.

150. Petitioner has developed the Kapolei Regional Bike Plan which will not only serve The City of Kapolei, but is planned to have far-reaching extensions throughout the Ewa region. Presently, there are approximately 55 miles of planned bikeways. Grade-separated interchanges along Farrington Highway at the Project Area will not only provide access to Makaiwa Hills from the highway, but will also allow automobile, bicycle and pedestrian traffic to pass under the highway and connect with roadway systems and bikeways planned for The City of Kapolei.

151. Petitioner is a founding member of the Leeward Oahu Transportation Management Association ("LOTMA"). LOTMA is an organization of area landowners and developers, whose goal is to provide leadership in addressing regional transportation and mobility issues through the member's combined resources and unified efforts of the public and private sectors. LOTMA efforts has resulted in an increase in transit services to the Kapolei area. LOTMA has also established a subscription bus service in the area and worked with the Honolulu Public Transportation Authority to coordinate programs and new services. LOTMA has been a key participant in the Ride Share Hawaii and Beat the School Jam programs.

CONFORMANCE WITH COASTAL ZONE POLICIES OBJECTIVES

152. The proposed reclassification of the Property for the proposed development generally conforms to the policies

and objectives of the Coastal Zone Management Program, chapter 205A, HRS.

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.

Any conclusion of law herein improperly designated as a findings of fact should be deemed or construed as a conclusion of law.

CONCLUSIONS OF LAW

Any findings of fact herein improperly designated as a conclusion of law should be deemed or construed as a finding of fact.

Upon consideration of section 205-17, HRS and pursuant to chapter 205 HRS, and chapter 15-15, HAR, the Commission finds upon a preponderance of evidence that the reclassification of the Property, consisting of approximately 1,781.122 acres situated in Honouliuli, Ewa, Island of Oahu, and identified as Oahu Tax Map Key Numbers 9-1-15: Por. 5 and 17 and 9-2-03: Por. 2 and Por. 5, from the Agricultural District to the Urban District for the development of the Makaiwa Hills project, is reasonable, nonviolative of section 205-2, HRS, and is consistent with the Hawaii State Plan as set forth in chapter 226, HRS, the Coastal Zone Management Program as set forth in chapter 205-A, HRS, and conforms to chapter 15-15, HAR.

ORDER

IT IS HEREBY ORDERED that the Property, which is the subject of this Docket No. A92-687 filed by the Trustees Under The Will And Of The Estate of James Campbell, Deceased, consisting of approximately 1,781.122 acres situated in Honouliuli, Ewa, Island of Oahu, and identified as Oahu Tax Map Key Numbers 9-1-15: Por. 5 and 17 and 9-2-03: Por. 2 and Por. 5, as approximately shown on Exhibit "A" attached hereto and incorporated by reference herein, shall be and is hereby reclassified from the State Land Use Agricultural District to the State Land Use Urban District, and the State Land Use District Boundaries are hereby amended accordingly subject to the following conditions:

1. Petitioner shall provide affordable housing opportunities for low, low-moderate, and gap group income residents of the State of Hawaii to the satisfaction of the State Housing Finance and Development Corporation in accordance with the Affordable Housing Guidelines, adopted by the Housing Finance and Development Corporation, effective July 1, 1992, as periodically amended. The location and distribution of the affordable housing or other provisions for affordable housing shall be under such terms as may be mutually agreeable between the Petitioner and the State Housing Finance and Development Corporation. Agreement by the HFDC on the provision of affordable housing shall be obtained prior to the Petitioner applying for county zoning.

2. Petitioner shall provide land for outdoor recreation mauka of the Property, as determined by and to the mutual satisfaction of the Division of State Parks, Department of Land and Natural Resources. Agreement by the Division of State Parks, Department of Land and Natural Resources and Petitioner on the provision of land for outdoor recreation shall be obtained prior to the Petitioner applying for county zoning.

3. Petitioner shall participate in the funding and construction of local and regional transportation improvements and programs including dedication of right-of-way, on a pro rata basis as a result of the development of the Property, as determined by the State Department of Transportation and the City and County of Honolulu, Department of Transportation Services. Agreement by the State Department of Transportation on the level of funding and participation shall be obtained prior to the Petitioner applying for county zoning.

4. Petitioner shall monitor the traffic attributable to the proposed Project at onsite and offsite locations and shall undertake subsequent mitigative measures that may be reasonably required. These activities shall be coordinated with and approved by the State Department of Transportation.

5. Petitioner, at no cost to the State, shall appoint a permanent transportation manager whose function is the formulation, use, and continuation of alternative transportation opportunities that would optimize the use of

existing and proposed transportation systems. In the alternative, Petitioner may participate in a regional program for transportation management with other developers and/or landowners. This program shall address the transportation opportunities that would optimize the use of existing and proposed transportation systems. Either option will continue to be in effect unless otherwise directed by the State Department of Transportation. The program for either option shall be reviewed by the State Department of Transportation prior to implementation. The transportation manager or Petitioner shall conduct periodic evaluations of the program's effectiveness and shall make reports of these evaluations available to the State Department of Transportation for program review and modification, if necessary.

6. Petitioner shall participate in the funding and construction of adequate wastewater transmission and disposal facilities, necessitated by the proposed development, on a pro rata basis, as determined by the State Department of Health and the City and County of Honolulu.

7. Petitioner shall fund the design and construction of drainage improvements required as a result of the development of the Property to the satisfaction of the appropriate State and City and County of Honolulu agencies.

8. Petitioner shall fund and construct adequate civil defense measures as determined by the City and County of Honolulu and State Civil Defense agencies.

9. Petitioner shall contribute to the development, funding, and/or construction of school facilities on a pro rata basis as a result of the development on the Property, as determined by and to the satisfaction of the Department of Education (DOE). Agreement by DOE on the level of funding and participation shall be obtained prior to Petitioner applying for county zoning.

10. Petitioner shall prepare a detailed historic preservation mitigation plan which must be approved by the Historic Preservation Division, Department of Land and Natural Resources. This plan shall have two parts: an archaeological data recovery plan (scope of work) for sites determined significant for their information content and a preservation plan for sites determined significant as excellent examples of a type of site. The Historic Preservation Division shall verify in writing that the plan has been successfully implemented prior to the onset of ground altering construction activities that would jeopardize the sites.

11. Should any human burials or any historic sites such as artifacts, charcoal deposits, or stone platforms, pavings or walls be found, Petitioner shall stop work in the immediate vicinity and contact the Historic Preservation Division. The significance of these finds shall then be determined and approved by the Historic Preservation Division, and an acceptable mitigation plan shall be approved by the Historic Preservation Division (if applicable). The Historic

Preservation Division must verify in writing that the fieldwork portion of the mitigation plan has been successfully executed prior to work proceeding in the immediate vicinity of the find. Burials must be treated under specific provisions of Chapter 6E, HRS.

12. Petitioner shall prepare a fire plan approved by the Department of Land and Natural Resources, Division of Forestry and Wildlife, prior to the Petitioner applying for county zoning.

13. Petitioner shall cooperate with the State Department of Health and the City and County of Honolulu Department of Public Works to conform to the program goals and objectives of the Integrated Solid Waste Management Act, Chapter 342G, HRS, as amended, and the City and County's approved integrated solid waste management plans in accordance with a schedule and timeframe satisfactory to the Department of Health.

14. Any plans by the Petitioner to include a golf course within the Property shall be subject to review and approval by the Land Use Commission. Petitioner shall:

- (a) file an appropriate motion or petition, whichever is appropriate;
- (b) will provide the necessary evidence; and
- (c) will seek approval from the Commission for golf course use on the Property.

15. Petitioner shall be responsible for implementing sound attenuation measures to bring noise levels from vehicular

traffic in the Petition Area down to levels acceptable to the State Department of Health and the State Department of Transportation.

16. Petitioner shall attenuate the noise in noise sensitive areas within residential areas exposed to noise levels of 65 Ldn (day-night average sound level) by a minimum of 25 decibels (A-weighted).

17. Petitioner shall not construct residential units within areas exposed to noise levels of 65 Ldn or greater.

18. Petitioner shall grant to the State of Hawaii an avigation (right of flight) and noise easement in the form prescribed by the State Department of Transportation on any portion of the Property subject to noise levels exceeding 55 Ldn.

19. Petitioner shall notify all prospective buyers of property in the Project of the potential odor, noise, and dust pollution resulting from surrounding Agricultural District land, Hawaiian Electric Company's Kahe Power Plant, and the City and County of Honolulu's Waimanalo Gulch Sanitary Landfill.

20. Petitioner shall notify all prospective buyers of property in the Project that the Hawaii Right-to-Farm Act, Chapter 165, Hawaii Revised Statutes, limits the circumstances under which pre-existing farming activities may be deemed a nuisance.

21. Petitioner shall participate in an air quality monitoring program as specified by the State Department of Health.

22. Petitioner shall promptly provide without any prior notice, annual reports to the Land Use Commission, the Office of State Planning and the City and County of Honolulu Planning Department in connection with the status of the project and Petitioner's progress in complying with the conditions imposed.

23. Petitioner shall develop the Property in substantial compliance with representations made to the Land Use Commission in obtaining the reclassification of the Property. Failure to so develop the Property may result in reversion of the land to its former classification, or change to a more appropriate classification.

24. Petitioner shall give notice to the Land Use Commission of any intent to sell, lease, assign, place in trust or otherwise voluntarily alter the ownership interest in the Property covered by the approved petition prior to the development of the Property.

25. The Land Use Commission may fully or partially release these conditions as to all or any portion of the Property upon timely motion, and upon the provision of adequate assurance of satisfaction of these conditions by the Petitioner.

26. Within 7 days of the issuance of the Land Use Commission's Decision and Order for the subject reclassification, Petitioner shall (a) record with the Bureau of Conveyances a Statement to the effect that the Property is subject to conditions imposed by the Land Use Commission in the

reclassification of the Property, and (b) shall file a copy of such recorded statement with the Commission.

27. Petitioner shall record the conditions imposed by the Land Use Commission with the Bureau of Conveyances pursuant to Section 15-15-92, HAR.

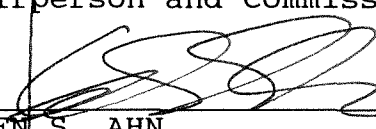
28. Petitioner shall coordinate with the Honolulu Board of Water Supply and the Department of Land and Natural Resources to obtain the required water for the project. In the event that water is not available from existing sources due to insufficient supply, Petitioner shall fund and develop the necessary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


DOCKET NO. A92-687 - THE TRUSTEES UNDER THE WILL AND OF THE
ESTATE OF JAMES CAMPBELL, DECEASED

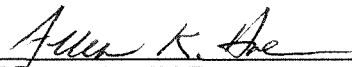
Done at Honolulu, Hawaii, this 28th day of October 1993,
per motion on October 21, 1993.


LAND USE COMMISSION
STATE OF HAWAII

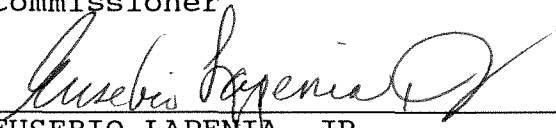
By _____ (absent)
JOANN N. MATTSON
Chairperson and Commissioner

By  _____
KAREN S. AHN
Vice Chairperson and Commissioner

By  _____
TRUDY K. SENDA
Vice Chairperson and Commissioner

By  _____
ALLEN K. HOE
Commissioner

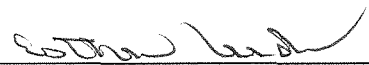
By  _____
LLOYD F. KAWAKAMI
Commissioner


By  _____
EUSEBIO LAPENIA, JR.
Commissioner

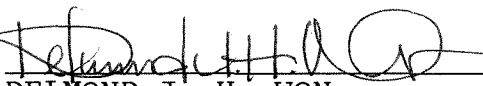
By _____ (absent)
RENTON L. K. NIP
Commissioner

Filed and effective on
October 28, 1993

Certified by:

 _____
Executive Officer

By  _____
ELTON WADA
Commissioner

By  _____
DELMOND J. H. WON
Commissioner



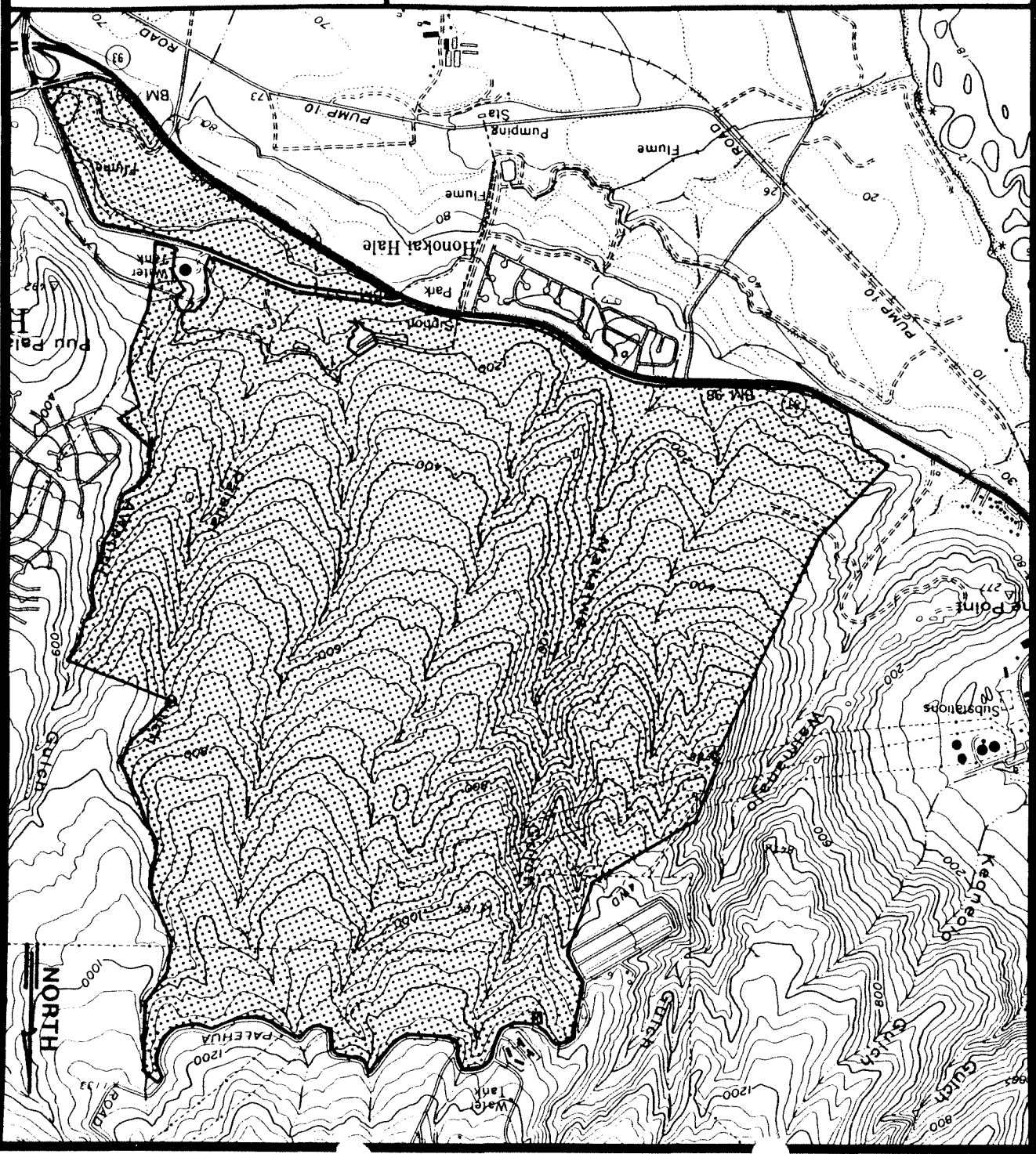
SCALE: 1" = 2,000 ft. ±

PETITION AREA

TAX MAP KEY 9-1-15: por. 5, 17,
9-2-03: por. 2 & por. 5
HONOLULU, EWA, OAHU

LOCATION MAP

DOCKET NO. A92-687 / THE TRUSTEES UNDER THE WILL
AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED



BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)	DOCKET NO. A92-687
)	
THE TRUSTEES UNDER THE WILL)	CERTIFICATE OF SERVICE
AND OF THE ESTATE OF JAMES)	
CAMPBELL, DECEASED)	
)	
To Amend the Land Use District)	
Boundary of Approximately)	
1781.122 Acres Situated at)	
Honouliuli, Ewa, Island of Oahu,)	
State of Hawaii from Agricultural)	
to Urban; TMK Nos.: 9-1-15: Por.)	
5, 17; 9-2-03: Por. 2 and Por. 5)	
_____)	

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:

HAROLD S. MASUMOTO, Director
Office of State Planning
P. O. Box 3540
Honolulu, Hawaii 96811-3540

CERT. ROBIN FOSTER, Chief Planning Officer
Planning Department
City and County of Honolulu
650 South King Street
Honolulu, Hawaii 96813

CERT. IVAN M. LUI-KWAN, ESQ., Attorney for Petitioner
Carlsmith Ball Wichman Murray
Case Mukai & Ichiki
2200 Pacific Tower
1001 Bishop Street
Honolulu, Hawaii 96813

DATED: Honolulu, Hawaii, this 28th day of October 1993.



ESTHER UEDA
Executive Officer

DOCKET NO. A92-687 - THE TRUSTEES UNDER THE WILL AND OF THE
ESTATE OF JAMES CAMPBELL, DECEASED

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 October 28, 1993.

ALAN SANBORN
Department of Accounting & General Services
Division of Public Works
P. O. Box 119
Honolulu, Hawaii 96810