

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)
OCEANIC PROPERTIES, INC.)

DOCKET NO. A83-551

OCEANIC PROPERTIES, INC.)

To Reclassify the Second Phase)
of the Subject Docket from the)
Agricultural Land Use District)
into the Urban Land Use District)
for Approximately 135.001 acres)
at Waipio, Ewa, Oahu, Tax Map)
Key No.: 9-5-02: portion of 11)

LAND USE COMMISSION
STATE OF HAWAII
JUN 3 10 30 AM '91

FINDINGS OF FACT,
CONCLUSIONS OF LAW AND DECISION AND ORDER

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FINDINGS OF FACT,
CONCLUSIONS OF LAW AND DECISION AND ORDER

CASTLE & COOKE PROPERTIES, INC., a Hawaii corporation, formerly known as Oceanic Properties, Inc. (hereinafter "Petitioner"), filed on November 15, 1990, a Petition to reclassify, pursuant to Chapter 205, Hawaii Revised Statutes (HRS), as amended, and title 15, subtitle 3, chapter 15, section 78, Hawaii Administrative Rules, as amended (hereinafter "Commission Rules") approximately 135.001 acres of Agricultural District land into the Urban District at Waipio, Ewa, Hawaii, Hawaii Tax Map Key No. 9-5-02: portion of 11 (hereinafter "Property"), comprising the second increment described in the Land Use Commission's (hereinafter "Commission") Decision and Order dated August 9, 1984, in the Petition by Oceanic Properties, Inc. in Docket No. A83-551. The Commission, having heard and examined the testimony, evidence, and argument of the Parties, hereby makes the following finding of fact, conclusion of law:

FINDINGS OF FACT

PROCEDURAL MATTERS

1. The Petition was filed on November 15, 1990 by the Petitioner to reclassify the second increment (hereinafter "Phase II"), consisting of approximately 136 acres of Agricultural District Land to the Urban District for the expansion of the Mililani Technology Park (hereinafter "MTP").

2. On February 21, 1991, a timely written request for Public Witness testimony was received from John Kampfer, Chairman of the Wahiawa Neighborhood Board No. 26.

3. A prehearing conference was held on February 22, 1991 in the Kamamalu Building, in Honolulu. At the prehearing conference witness lists and exhibits were exchanged among the parties.

4. On March 12, 1991, the Commission received pursuant to Commission Rule 15-15-70 (a)(3) a metes and bounds description of both Phase I and Phase II of the Property, and the approximate acreage of each Phase. This exhibit, Exhibit 14, clarified the boundaries of Phase I as approximately 119.894 acres and Phase II as approximately 135.001 acres.

5. The Commission held a hearing on Tuesday, March 12, 1991, in the Kamamalu Building in Honolulu, pursuant to notice published in the Honolulu Advertiser on February 8, 1991. No public witness testimony was given at the hearing.

6. On March 12, 1991, and by Order filed on April 1, 1991, the Commission granted Petitioner's motion to amend Condition 1 of the Decision and Order for Phase I dated August 9, 1984.

DESCRIPTION OF THE PROPERTY

7. The Property consists of approximately 135.001 acres of Agricultural District lands at Waipio, Ewa, Oahu, Hawaii, Tax Map Key No.: 9-5-02: portion of 11.

8. The Property is bound to the north by the Army's Leilehua Golf Course: to the east, by the Schofield Barracks Military Reservation; to the south by the Waikakalaua Gulch; and the west by the Phase I Urban District and portion of Waikakalaua Gulch.

9. Wahiawa town lies approximately one mile to the north of the Property and Mililani town is located approximately eight-tenths of a mile to the south. The Mililani Mauka Phase I Urban District lands are approximately one-fourth mile south of the Property and consist of approximately 723 acres of land reclassified from the Agricultural District to the Urban District by the Commission on May 17, 1988. The 477 acre second phase of this Mililani Mauka area was subject to incremental redistricting.

10. The Property is owned in fee by Castle & Cooke, Inc. Petitioner is a wholly-owned subsidiary of Castle & Cooke, Inc., and holds an option to purchase the Property.

Castle & Cooke, Inc. has authorized the Petitioner to pursue this incremental boundary amendment before the Commission.

11. The Property is located east of the H-2 Freeway in the vicinity of the Mililani Technology Park and Leilehua Golf Course Interchange. The Mililani Technology Park and Leilehua Golf Course Interchange provides on and off ramps from the H-2 Freeway to and from the Honolulu side of the Golf Course Road. Vehicular access to the Property is limited to the west side. Wikao Street, which runs parallel to the H-2 Freeway, provides local service from the Leilehua Interchange to the Property. Wikao Street terminates at Leilehua Golf Course Road, which crosses over the H-2 Freeway and terminates at Kamehameha Highway.

12. In its Decision and Order dated August 9, 1984, the Commission reclassified from the Agricultural District to the Urban District on an incremental basis approximately 120 acres of land comprising the first increment (hereinafter "Phase I"), pursuant to State Land Use District Regulation 6-2. Pursuant to State Land Use Commission Rule 15-15-78, which supersedes State Land Use District Regulation 6-2, Petitioner may apply to reclassify the second increment ("Phase II") from the Agricultural District to the Urban District upon a prima facie proof that there has been substantial completion of any off-site and on-site improvements of the Urban development in accordance with the approved incremental plan.

Improvements Completed Within Phase I

13. Petitioner has obtained from the City and County of Honolulu the Development Plan Amendment from Agriculture to Industrial, and the zoning change to I-2, Intensive Industrial on July 22, 1986.

14. Petitioner has sub-divided Phase I-A, I-B, and I-C into 15 lots. Petitioner has substantially completed the on-site and off-site work needed to provide the necessary services in Phase I as follows:

- a) Road "A" (Kahelu Avenue) and Road "C" (Akamainui Street) and Wikao Street have been completed.
- b) Road "B" is currently under design.
- c) A 1.5 million gallon reservoir has been constructed at the mauka end of Phase II to service MTP.
- d) A drainage basin has been constructed to serve Phase I. An additional detention basin has been designed, and State and County approvals are currently being pursued.
- e) A 20 inch water line and a 24 inch water line have been installed to distribute water to MTP from the Reservoir.
- f) A Hawaiian Telephone Company facility has been planned at the mauka end of Lot 15. A Hawaiian Electric Company substation to be located in Phase II is currently under design.

- g) Hook-ups to existing water, sewer and power lines have been established to serve the immediate needs of Phase I.
- h) Petitioner has constructed a 34,500-square foot building on Lot 1 for VeriFone, Inc., a local designer and manufacturer of credit card verification terminals. VeriFone has an option to purchase this built-to-suit facility and the four acres of land on which it is located.
- i) Intellect, Inc. has built and occupies its facility on Lots 2 and 3 with a land subsidy from the Petitioner.
- j) Petitioner has completed construction of the 25,000 square-foot Leilehua building on Lot 4, which is being leased to these high technology and other tenants:

- * Martin Marietta Information Systems Group
- * High Technology Development Corporation (State Agency)
- * Inter-National Research Institute
- * State Department of Transportation's Telework Center
- * Advanced Design Systems Company
- * State Department of Education Central District Branch
- * Pacific Space Center

15. Petitioner has spent approximately \$27,000,000 in capital improvements to MTP.

16. Under Petitioner's current plan for MTP, Phase I will contain approximately 20 lots, and Phase II will contain

approximately 25-30 lots. Petitioner states that reclassification of Phase II from the Agricultural to the Urban District is essential to allow Petitioner to apply for and secure the necessary approvals for Development Plan and zoning changes at the City and County of Honolulu and to conduct infrastructure development of Phase II by the time all of the lots in Phase I have been sold.

CONFORMANCE WITH THE HAWAII STATE PLAN

17. The reclassification of Phase II conforms with the following objectives, policies, and priority guidelines of the Hawaii State Plan:

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| Section 226-4(1) | "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." |
| Section 226-6(a)(1) | "Increased and diversified employment opportunities to achieve full employment, increased income and job choice, and improved living standards for Hawaii's people." |
| Section 226-6(a)(2) | "A steadily growing and diversified economic base that is not overly dependent on a few industries." |
| Section 226-10(a) | "Planning for the State's economy with regard to potential growth activities shall be directed towards achievement of the objective of development and expansion of potential growth activities that serve to increase and diversify Hawaii's economic base." |
| Section 226-10(b)(2) | "Expand Hawaii's capacity to attract and service international programs and activities that generate employment for Hawaii's people." |

Section 226-10(b)(3) "Enhance and promote Hawaii's role as a center for international relations, trade, finance, services, technology, education, culture, and the arts."

CONFORMANCE WITH CONDITIONS IMPOSED

18. The Commission imposed the following conditions on the reclassification of Phase I:

- "1. Petitioner shall develop subject property as an industrial park for high technology users. High technology means emerging industries which are technology-intensive, including but not limited to electronics and biotechnology.
- "2. Petitioner shall develop a management plan for the high technology park. The management plan shall include provisions for overall management responsibility by Petitioner or an ongoing management corporation.
- "3. Petitioner shall cause 142 acres of former Oahu Sugar Company Limited's cane fields to be replanted in pineapple at Waiawa, Oahu, by Dole Processed Foods Company to replace an equivalent amount of the acreage removed from pineapple production for development of the subject property.
- "4. Petitioner shall, at its sole expense, make the off-site roadway and traffic improvements for

the proposed project as may be required by the State Department of Transportation.

"5. Petitioner shall obtain a water development permit from the State of Hawaii Board of Land and Natural Resources to withdraw adequate water for the project from the Pearl Harbor Groundwater Control Basin.

"6. Petitioner shall submit annual progress reports to the Land Use Commission, the Department of Planning and Economic Development, the High Technology Development Corporation, and the City Department of General Planning as to its progress in satisfying the above conditions and as to general status of development of the project.

"7. These conditions may be fully or partially released by the Land Use Commission as to all or any portion of the subject properties upon timely motion and the provision of adequate assurance of satisfaction of these conditions by Petitioner."

19. Petitioner amended Condition No. 1 by Order dated April 1, 1991 to allow Petitioner to market the MTP to a wider market while keeping with the design guidelines of a high technology park.

20. Petitioner has addressed Condition No. 2 by establishing Declaration, Covenants, Conditions and Restrictions ("CC&R's"), design guidelines, an advertising plan, a marketing program, and hazardous material storage and handling guidelines which are enforced by the Petitioner's personnel.

21. Petitioner has addressed Condition No. 3 by the replanting of pineapple at the Waiawa field No. 4113 by Dole Processed Fruits Companies. This replanting was completed on July 2, 1985.

22. Petitioner has addressed Condition No. 4 by realigning Leilehua Golf Course road to lead directly into the MTP, and has realigned Wikao Street and the access road to leilehua Golf Course. Traffic signalization is not warranted at this time, although turn lanes and storage lanes have been built into the roadway network. When employment figures at MTP reach 5000 employees, the State Department of Transportation may request the construction of a second bridge over the H-2 freeway and the addition of more traffic lanes for south-bound and north-bound vehicles entering and exiting the H-2 freeway at the requisite signalized intersection of the two bridges and the golf course road.

23. Petitioner has addressed Condition No. 5 by its construction of the Wahiawa wells and a 1.5 million gallon reservoir. As a result, Petitioner has not found it necessary

to seek a Water Development Permit from the Board of Land and Natural Resources.

24. Petitioner has generally addressed Condition No. 6 by submitting the requisite annual reports since the approval of Phase I.

ORDER

IT IS HEREBY ORDERED that the lands within Phase II of the Property, consisting of approximately 135.001 acres situate at Waipio, Ewa, Island of Oahu, State of Hawaii, more particularly identified by Hawaii Tax Map Key No. 9-5-02: portion 11, and approximately described in Exhibit "A" attached hereto and incorporated herein, shall be and the same is hereby reclassified from the Agricultural District to the Urban District and the District Boundaries are amended accordingly, subject to the following conditions:

1. Petitioner shall develop the Property for high technology-intensive industries, provided that no less than 45% of the net marketable acres of the Property may also be sold or leased to initial buyers or lessees in high technology-intensive industries. The Property may also be developed for commercial/industrial mixed uses the development of improvements for which shall conform to the design and density concepts of the Property as a high technology park development.

2. Petitioner shall develop a management plan for the high technology park. The management plan shall include provisions for overall management responsibility by Petitioner or an ongoing management corporation.

3. Petitioner shall cause 142 acres of former Oahu Sugar Company Limited's cane fields to be replanted in pineapple at Waiawa, Oahu, by Dole Processed Foods Company to replace an equivalent amount of the acreage removed from pineapple production for development of the Property.

4. Petitioner shall obtain a water development permit from the State of Hawaii Board of Land and Natural Resources to withdraw adequate water for the project from the Pearl Harbor Groundwater Control Basin.

5. Petitioner shall maintain development covenants, conditions, and restrictions to maintain an attractive location for high technology companies and users. Any proposed amendment to the development covenants, conditions, and restrictions shall be subject to approval by the Office of State Planning and the City and County of Honolulu, Department of Land Utilization.

6. Petitioner shall participate in the funding and construction of regional traffic improvements, on a pro rata basis, as determined by the State Department of Transportation.

7. Petitioner shall fully coordinate the project with other planned projects in the area. Petitioner shall

submit all reports and plans as may be required by and to the satisfaction of the State Department of Transportation.

8. Petitioner shall fund and implement the following prior commitments at such time as deemed appropriate by the State Department of Transportation:

- a. Construction of a second bridge to carry traffic over the H-2 freeway in addition to the existing bridge. This new bridge would serve eastbound vehicular traffic headed toward the Mililani Technology Park.
- b. Widening of all approaches to the Kamehameha Highway intersection with the access road.
- c. Provision of additional traffic lanes for southbound and northbound vehicles entering and departing the H-2 freeway.

9. Petitioner shall coordinate with the City and County of Honolulu and the State Department of Health regarding the establishment of appropriate systems to contain spills and prevent materials associated with industrial uses such as petroleum products, chemicals or other pollutants, from leaching or draining into the storm drainage systems and adversely affecting the groundwater.

10. Petitioner shall comply with the requirements of the State Department of Health and the City and County of Honolulu Department of Public Works with respect to the installation of the projects sewage system.

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

12. Storage and/or disposal of hazardous wastes shall be approved by the Department of Health prior to their establishment on the Property.

13. Petitioner shall implement effective soil erosion and dust control measures during all phases of the development.

14. Petitioner shall fund and install the necessary number of emergency sirens units (including infrastructure) within the development area to the satisfaction of the State Office of Civil Defense.

15. Petitioner shall develop the Property in substantial compliance with representations made to the Land Use Commission in obtaining the reclassification of the Property. Noncompliance shall result in reversion of the property to its former classification, or change to a more appropriate classification.

16. 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 subject property covered by the approved application, prior to development of the Property.

17. Petitioner shall submit annual reports to the Land Use Commission, the Office of State Planning and the City

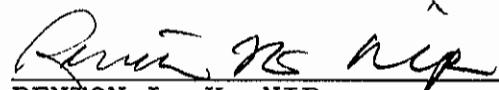
and County of Honolulu, Department of General Planning in connection with the status of the subject project and Petitioner's progress in complying with the conditions imposed.

18. These conditions may be fully or partially released by the Land Use Commission as to all or any portion of the subject properties upon timely motion and the provision of adequate assurance of satisfaction of these conditions by Petitioner.

DOCKET NO. A83-551 - OCEANIC PROPERTIES, INC.

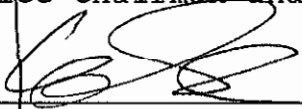
Done at Honolulu, Hawaii, this 3rd day of June 1991,
per motions on March 12, 1991 and May 14, 1991.


LAND USE COMMISSION
STATE OF HAWAII

By 
RENTON L. K. NIP
Chairman and Commissioner

By (absent)
ALLEN K. HOE
Vice Chairman and Commissioner

By (conflict)
ALLEN Y. KAJIOKA
Vice Chairman and Commissioner

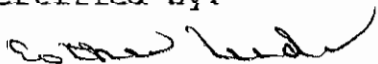
By 
KAREN S. AHN
Commissioner

By 
EUSEBIO LAPENIA, JR.
Commissioner

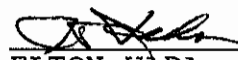
By (absent)
JOANN N. MATTSON
Commissioner

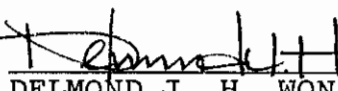
Filed and effective on
June 3, 1991

Certified by:


Executive Officer

By -----
JAMES M. SHINNO
Commissioner

By 
ELTON WADA
Commissioner

By 
DELMOND J. H. WON
Commissioner

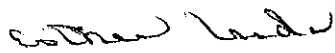
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CERTIFICATE OF SERVICE

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:

CERT.		HAROLD S. MASUMOTO, Director Office of State Planning State Capitol, Room 410 Honolulu, Hawaii 96813
CERT.		BENJAMIN B. LEE, 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 Takushi Funaki Wong & Stone 733 Bishop Street, Suite 1400 Honolulu, Hawaii 96813
CERT.		DARRLYN T. BUNDA, Chairperson Mililani/Melemanu Neighborhood Board No. 25 P. O. Box 3116 Mililani, Hawaii 96789
DATED: Honolulu, Hawaii, this <u>3rd</u> day of <u>June</u> 1991.		



ESTHER UEDA
Executive Officer