

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)
HALEKUA DEVELOPMENT CORPORATION,)
a Hawaii corporation)
To Amend the Agricultural Land Use)
District Boundary into the Urban)
Land Use District for Approximately)
504.865 Acres, at Waikele and)
Hoaeae, Ewa, Oahu, City and County)
of Honolulu, Hawaii, Tax Map Key)
No.: 9-4-02: Portion of 1 and)
Portion of 52)

DOCKET NO. A92-683
FINDINGS OF FACT,
CONCLUSIONS OF LAW,
AND DECISION AND
ORDER

LAND USE COMMISSION
STATE OF HAWAII
DEC 9 8 07 AM '93

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FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND DECISION AND ORDER

Halekua Development Corporation, a Hawaii corporation ("Petitioner"), filed a Petition for Land Use District Boundary Amendment on August 14, 1992, pursuant to Chapter 205, Hawaii Revised Statutes ("HRS"), and Chapter 15-15, Hawaii Administrative Rules ("H.A.R."), to amend the State land use district boundary by reclassifying approximately 504.865 acres of land situated at Waikele and Hoaeae, Ewa, Oahu, City and County of Honolulu, identified as Tax Map Key No.: 9-4-02: portion of 1 and portion of 52 ("Property"), from the Agricultural Land Use District to the Urban Land Use District.

The Land Use Commission of the State of Hawaii ("Commission"), having reviewed and examined the testimony, evidence, and argument of the parties presented during the

hearings, the Stipulated Proposed Findings of Fact, Conclusions of Law and Decision and Order of Petitioner and the Office of State Planning ("OSP"), and the City and County of Honolulu Planning Department's ("Planning Department") response to the Stipulated Proposed Findings of Fact, Conclusions of Law, and Decision and Order, hereby makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

PROCEDURAL MATTERS

1. On August 14, 1992, Petitioner filed a Petition for Land Use District Boundary Amendment ("Petition").

2. Petitioner filed an Addendum to its Petition on November 10, 1992, clarifying Petitioner's interest in the Property.

3. A prehearing conference on the Petition was held on November 17, 1992, at which time the parties exchanged lists of exhibits and witnesses.

4. The Commission held hearings on the Petition on December 3 and 4, 1992 and March 31, 1993, pursuant to a public notice published on October 22, 1992 in the Honolulu Star-Bulletin.

5. On November 9, 1992, the Commission received a letter from Senator Randy Iwase. On November 30, 1992, the Commission received a letter from the Department of the Navy.

Both of these letters were admitted into evidence by the Commission without objection.

6. On December 3, 1992, the Commission heard public testimony in support of the Petition from the following: Mr. C.O. "Andy" Anderson; Mr. Cal Kawamoto, Chairman of the Waipahu Neighborhood Board; and Mr. Allan McAngus, President of the Village Park Athletic Association. Written testimony in support of the Petition from Ms. Annette Yamaguchi was also admitted into evidence by the Commission without objection.

7. On June 16, 1993, the matter was presented for decision making before the Commission. At that time the Commission admitted into evidence, with no objections from the parties, a letter from Senator Randy Iwase dated June 9, 1993 advising the Commission of the passage of Senate Bill 5, S.D.1, H.D.2, and approved by the Governor as Act 149 on May 21, 1993. Upon its own motion, the Commission continued consideration of the Petition to further analyze the statutory provisions of Act 149, SLH 1993.

8. On June 29, 1993, upon its own motion, the Commission again continued consideration of the Petition.

9. On July 16, 1993, Petitioner filed a Motion to Reopen Hearing, which was granted by the Commission on July 16, 1993 and by a written Order Granting Motion to Reopen Hearing filed on July 23, 1993. On July 26, 1993, the Commission issued its "Order Re: Submission of Exhibits and Identification

of Witnesses" for this docket. The Commission thereupon held a reopened hearing on September 9, 1993, pursuant to a public notice published on August 6, 1993 in the Honolulu Star-Bulletin.

10. At the September 9, 1993 hearing, the Commission heard additional public testimony in support of the Petition from the following: Thomas Kagimoto, President of the Royal Kunia Community Association; Fritz McKenzie, chairperson of the Central Oahu Task Force which was formed pursuant to City Council Resolution #90-448 CD-1; and Jerry Souza.

DESCRIPTION OF THE PROPERTY

11. The Property is located at Waikele and Hoaeae, Ewa, Oahu, Tax Map Key No.: 9-4-02: portion of 1 and portion of 52. The Property is located approximately 1.2 miles north of the Kunia Interchange of Interstate Route H-1. The Property is bounded on the south by the Royal Kunia Phase I residential subdivision; on the west by Kunia Road; on the east by Waikele Stream; and on the north by overhead electrical transmission lines and sugarcane lands (currently leased by Oahu Sugar Company, Limited). At the northwest corner of the Property is an approximately 150-acre area proposed for an agricultural park by Petitioner as part of the Royal Kunia Phase II development.

12. The Property and the proposed agricultural park area are owned in fee simple by Caroline J. Robinson Limited

Partnership, a Hawaii limited partnership; Bishop Trust Company, Limited, a Hawaii corporation, Trustee; Chinn Ho, Herman G.P. Lemke and Mildred Teresa Centeio, Trustees; Waikele Lands, Ltd., a Hawaii corporation, and American Trust Co. of Hawaii, Inc., a Hawaii corporation, Trustee (collectively referred to herein as "Robinson Estate"). Petitioner has executed an agreement to purchase the Property and the proposed agricultural park area from the Robinson Estate in fee simple.

13. Most of the site is currently in sugarcane production by Oahu Sugar Company ("OSC") and has been for many years. Other portions of the Property are fallow.

14. The Property slopes downwards from the northwest to the southeast at a gradient of two to six percent. The ground elevations range from approximately 450 feet to 575 feet mean sea level. Two drainageways traverse the middle section of the Property.

15. The annual median rainfall is approximately 34" (State gage no. 740.1). The months of May - September are usually drier than October - April. Temperatures are approximately 1 degree fahrenheit higher than Wahiawa (based on a general observation that temperatures in Hawaii decrease approximately 3.2 degrees fahrenheit per 1,000 feet in elevation). The average annual maximum temperature is approximately 79 degrees fahrenheit and the average annual minimum temperature is approximately 64 degrees fahrenheit.

Predominant wind direction and the higher wind speeds are from the northeast to east direction. The average wind speed is 11.5 miles per hour.

16. Red to reddish brown residual soils are generally found on the Property. The surface soils are underlain by rocks, generally near depths of approximately 10 feet. Boulders and cobbles were encountered at lesser depths.

17. The U.S. Department of Agriculture, Soil Conservation Service ("SCS") classifies the soils as Lahaina silty clay (LaA, LaB) and Molokai silty clay loam (MuD, MuB). The predominant soil types, LaA and LaB, comprise approximately 84 percent of the Property. The Lahaina and Molokai soils have similar characteristics--they are moderately permeable, have slight to moderate erosion hazards, and are underlain by bedrock at depths greater than five feet.

18. The soils on the Property as indicated by the Agriculture Lands of Importance to the State of Hawaii ("ALISH"), Land Study Bureau ("LSB"), and SCS classification systems consist of:

- ALISH: Prime (95 percent of the Property)
- LSB: Overall productivity ratings of "A" (94 percent of the Property) and "B" (remainder of the Property); and
- SCS: I or II (90 percent of the Property); III or IV (10 percent of the Property)

19. The Federal Emergency Management Agency's Flood Insurance Rate Map, Panel 150001-0000, dated September 28, 1990, indicates that the Property is located in Zone D (areas in which flood hazards are undetermined).

20. The seismic risk classification for the Property and the entire island of Oahu is Zone 1 (Uniform Building Code). Zone 1 indicates that the island is subject to minor earthquake damage.

PROPOSAL FOR RECLASSIFICATION

21. Petitioner has proposed to develop the Property as a project called Royal Kunia Phase II. Royal Kunia Phase II is envisioned as a planned community which will complement Royal Kunia Phase I and the existing Village Park residential subdivision located south of Royal Kunia Phase I. Petitioner has a Master Plan which encompasses both Royal Kunia Phase I and Royal Kunia Phase II. The Royal Kunia Phase II development will include approximately 2,000 single-family and multi-family residences, 123 acres of light industrial uses, an 18-hole golf course, a public park, and a school site ("Project"). The 150-acre agricultural park is also part of the development. The land for the agricultural park is not proposed for reclassification and is to remain in the Agricultural District.

22. Petitioner's land use plan of the proposed Project is anticipated to be composed of the following land use components:

PROPERTY:

<u>Land Use</u>	<u>Acres</u>	<u>Units</u>
Single-Family	124.0	800
Low-Density Apartments	74.0	1,200
Golf Course	160.0	
Light Industrial	123.0	
School	6.0	
Public Park	10.0	
Circulation	8.0	
<u>TOTAL AREA TO BE DEVELOPED</u>	<u>505.0</u>	<u>2,000</u>
<u>AGRICULTURAL PARK:</u>	150.0	
<u>TOTAL PHASE II DEVELOPMENT AREA:</u>	655.0	

23. The Village Park, Royal Kunia Phase I, and Royal Kunia Phase II subdivisions are considered together by Petitioner as an integrated community for purposes of planning and the provision of amenities, such as the proposed recreation center for use by the entire community consisting of all three subdivisions.

24. A variety of homes will be offered to people of different income levels and to families of various sizes. These units will consist of townhomes, single-family dwellings, and golf course frontage lots. The Project is anticipated to consist of 800 single-family units, which will average 6.5 units per residential-acre. The low-density apartment area consists of 1,200 units and will average 16.2 units per acre. These 1,200 units will consist of a variety of 1, 2, and 3-bedroom townhome units offered for sale both as market units and as affordable units.

25. The single-family market units will be priced between \$270,000-\$350,000 at 1992 prices. Higher priced market units are anticipated to be between \$325,000-\$400,000. Multi-family market units are anticipated to be sold in the \$250,000-\$300,000 price range.

26. Petitioner has agreed to develop 60 percent of the Project's housing units as affordable housing for residents of the State of Hawaii in accordance with the Affordable Housing Guidelines adopted by the State Housing Finance and Development Corporation, effective July 1, 1992, as periodically amended.

27. All of the affordable units for the Project will be developed within the Property, and will consist of affordable rental units as well as for-sale units.

28. The affordable units will be developed concurrently with the market units.

29. A total of 123 acres is proposed to be developed as a "business park". The industrial area is expected to serve the needs of a wide range of "light industries" and businesses.

30. The proposed golf course development consists of an 18-hole championship golf course, clubhouse, maintenance building, driving range, and parking area. The golf course will be located along the eastern boundary of the Project on 160 acres overlooking Waikele Gulch. The course is expected to fulfill some of the demand for new golf facilities on Oahu in

the future. The open space provided is expected to increase values on the golf course frontage lots. The Project's golf course will also serve as a buffer zone between the proposed residential area and the Naval Magazine Lualualei Waikele Branch, much like the golf course that was approved for Royal Kunia Phase I. In Royal Kunia Phase I, no residential development was allowed in the area in which the golf course was ultimately approved. Similarly, the golf course in Phase II will serve as a buffer zone, and will not be subject to residential development. The golf course in Phase II will also serve as a drainage basin for the Project, similar to the golf course in Phase I.

31. A 10-acre public park is proposed for the Project. The park site will be dedicated to the City and County of Honolulu, Department of Parks and Recreation, to meet the requirements of the Park Dedication Ordinance.

32. A six-acre school site is proposed for the Project. This school site, along with the existing Kaleiopuu Elementary School and playground in the Village Park subdivision, and a proposed school site in Royal Kunia Phase I, will serve the projected elementary student enrollment expected in the future.

33. The Petitioner has reserved 150 acres at the northern boundary of the Property for use as a State operated agricultural park. Petitioner is proposing that the 150 acres

be conveyed to the State of Hawaii and subdivided into a number of agricultural lots to be farmed by individual farmers. Petitioner will provide utility improvements up to the park, while the State will provide improvements within the park. Homes for farmers are to be built in cluster housing on a portion of the park acreage.

34. Petitioner and the Department of Agriculture of the State of Hawaii ("DOA") have entered into a Memorandum of Understanding, dated March 30, 1993, in which Petitioner agrees to convey 150 acres of land within the Royal Kunia Phase II development to the State of Hawaii for the purpose of establishing a State agricultural park.

35. The DOA has expressed its support of Petitioner's Project, and its willingness to accept and develop the 150-acre agricultural park site.

36. Petitioner has agreed with the DOA that in the event that Petitioner's proposed reclassification of the Property is approved, Petitioner will convey free and clear title to the 150 acres for the agricultural park within six months after receiving the necessary land use approvals from the State of Hawaii and the City and County of Honolulu, or by December 31, 1997, whichever event shall occur sooner.

37. Petitioner will design and construct off-site infrastructure improvements for the agricultural park including off-site roadways, potable and irrigation water lines, and

sewer lines and other utility connections, up to the property boundary of the agricultural park at no cost to the DOA.

38. The Project is intended to be developed in two 3-year period increments. The first increment will begin in 1994 and be completed in 1996. In the first increment, Petitioner intends to do the planning, engineering, and construction of all the major off-site improvements for the Property. It is anticipated that a portion of the affordable multi-family units and a portion of the single-family units as well as all of the market multi-family units will be completed within the first increment. A portion of the industrial park will also be developed. During the second 3-year period increment, starting in 1997 and ending in 1999, the remaining affordable multi-family units and single-family units will be developed. The remainder of the industrial park and the golf course will also be completed.

39. The components of the Project are projected to be absorbed at varying rates. Residential absorption of 500 units per year is expected, which will result in the absorption of the residential project within four years. Industrial absorption is scheduled for 18 acres starting from 1995 and 15 acres per year through 2002 thereafter or a total of eight years to absorb the entire development.

40. The infrastructure for the Project, including off-site water, sewer, and drainage system is being developed

with the Royal Kunia Phase I infrastructure, which has already been financed and is currently under construction. The majority of the infrastructure for Royal Kunia Phase I has been designed to accommodate future development in the Project.

41. Total construction costs for the infrastructure and on-site improvements are estimated to be approximately \$110,000,000. In addition, the residential unit costs are estimated to be approximately \$185,000,000, for a total Project cost of \$295,000,000 based on 1992 dollars.

PETITIONER'S FINANCIAL CAPABILITY
TO UNDERTAKE THE PROPOSED DEVELOPMENT

42. Petitioner's Balance Sheet, dated June 30, 1992, evidence that Petitioner has the financial capability to undertake the Project. Petitioner has total assets of \$92,491,247.84 and liabilities and stockholder's equity of \$92,491,247.84.

43. Petitioner's lead lender has expressed that construction financing could be arranged for the Project.

44. The Project, including the 60 percent affordable housing component, is financially feasible.

45. Herbert Horita, the President and sole stockholder of Halekua Development Corporation, Petitioner herein, has 30 years of development experience in Hawaii, involving the development of approximately 11,300 units, including the development of the Village Park and Royal Kunia Phase I subdivisions.

46. Petitioner through its President, Herbert Horita, represented that he intends to develop the Project on his own and in its entirety.

STATE AND COUNTY PLANS AND PROGRAMS

47. The Property is located within the State Land Use Agricultural District, as reflected on Land Use District Boundary Map O-5, Schofield Barracks.

48. Pursuant to the 1991 Development Plan Amendment Annual Review, Petitioner obtained approval for 1,000 residential units to be situated on 57 acres designated for Low-Density Apartments and 35 acres designated for Single-Family Dwellings. Petitioner also obtained approval of 123 acres for industrial uses, 10 acres for a public park, six acres for a public school site, and 160 acres designated for preservation.

49. Petitioner is seeking a Development Plan Amendment in the 1993 annual review process of the City and County of Honolulu for an additional 1,000 residential units.

50. The Property is currently zoned Ag-1 Restricted Agriculture. Petitioner will initially seek rezoning covering 1,000 residential units and the industrial area into R-5 Residential, A-1 Low Density Apartment, and I-1 Industrial zoning classifications.

51. The Planning Department is opposed to Petitioner's Project for the Property.

52. The Property was not included in the urban recommendations in the OSP's Final State Land Use District Boundary Review report for Oahu because of the agricultural resource value of these lands. Furthermore, Petitioner did not propose the Property for consideration in the Five-Year Boundary Review.

53. A case-by-case review has resulted in OSP's conditional support of this Petition because of the opportunity provided by Petitioner to preserve in perpetuity 150 acres of prime agricultural land as an agricultural park.

NEED FOR THE PROPOSED DEVELOPMENT

54. A report entitled, "Market Assessment for Royal Kunia Phase II," was prepared by John Zapotocky in June 1992, which addresses the market analyses for the residential, industrial and golf course developments.

55. The shortage of residential housing throughout the State of Hawaii in general and on Oahu in particular, has been a growing problem for over a decade. The supply of new housing units have not kept pace with the demand for a number of reasons. State and City agencies have recently developed estimates of unit shortfalls ranging from 20,000 to 40,000 units, while private studies suggest that the existing shortfall might be as high as 50,000 units.

56. The resident population of Oahu increased from 630,528 to 762,565 from 1970 to 1980, an increase of 20 percent. From April 1980 to April 1990, the resident

population of Oahu increased from 762,565 to 836,231, or 9.7 percent. The official State forecast of population for the Island of Oahu through the year 2010 projects a resident population of 999,500 persons. The housing stock will have to increase to accommodate the increase in population.

57. The number of persons housed in each unit determines the number of units required per given population. The household size in the United States, State of Hawaii, and City and County of Honolulu has been declining for at least the past 50 years. Within the State, household size has declined from 4.46 persons in 1940 to 3.15 persons in 1980 to 3.01 persons in 1990. This trend is expected to continue in the State of Hawaii driven primarily by demographic trends.

58. Oahu vacancy rates as measured by Postal Vacancy Surveys, Federal Home Loan Bank Surveys and State Health Department monitoring indicate that vacancies in the 1989 to 1990 timeframe are at historic lows (below two percent) and well below the five percent considered adequate to provide homeowners and renters with mobility.

59. Total demand for residential units on Oahu is expected to exceed 378,800 by the year 2010. Based on the existing inventory as of the end of 1990, there will be a total demand by the year 2010 of 106,400 units. Thus, average annual demand is projected to be 5,300 units per year. Assuming that 84,600 units (90 percent of the 94,000 additional units approved in the City and County Development Plans and by the

Commission) are developed by 2010, a shortfall of 21,800 units or an average of 1,100 units per year is projected.

60. Given the overall shortfall of over 20,000 units by the year 2010, the Project could meet approximately 10 percent of this overall shortfall. On an annual basis, the 500-unit per year production target could eliminate up to 50 percent of the estimated unit shortfall for the years in which the Project is producing units. Given the above scenario, the absorption of 500 units per year within the Project is anticipated.

61. A greater shortfall is estimated if the need for affordable units is considered. A total of 63,000 affordable units will be needed by 2010, with an existing potential supply of 33,800 units. Thus, a shortfall of 28,200 units will require a supply of 48,600 additional units be approved if 60 percent of those units will be committed to affordable units.

62. Given the shortage of affordable housing on Oahu and the experience of the Mililani Mauka and Waikele developments, the affordable units of the Project can be absorbed as fast as it can be developed for the foreseeable future.

63. Future demand for new industrial land is projected to come primarily from the growth in industrial jobs. Through the year 2010, it is estimated that there will be a demand for a total of 898 acres of industrial land. Assuming a flexibility factor of 25 percent to assure that industrial land use needs are not unduly restricted by

artificial restraints, the islandwide demand for industrial land by the year 2010 is anticipated to be 1,123 acres.

64. In addition to job generated demand for industrial land, the conversion of existing industrial lands to other uses is expected to result in a demand for an additional 322 acres by the year 2010.

65. Based on projected demand and existing and projected supply of industrial lands, the shortage of industrial land in Central Oahu is estimated at 133 acres by the year 2010. If, however, it is assumed that additional demand in the Primary Urban Center ("PUC") will have to be accommodated outside of the PUC, then this figure is likely to grow.

66. A number of factors in the Oahu golf industry indicate an existing shortfall of golf courses, including: courses operating at maximum capacity; escalating green fees; institution of a telephone lottery to allocate golf times on Oahu's municipal courses; more golf rounds played per resident and visitor on the islands of Maui and Hawaii where golf is more available; the activity of golf course developers to increase the number of courses on Oahu, and the projected increase in the retirement population. The existing shortfall of golf courses ranges from a low of zero to a high of 27 with a mid-point of 13.

67. Excluding the zero growth scenario, and using only the two percent and five percent growth scenarios, there

will be an estimated shortfall of 14 to 49 golf courses by the year 2010.

68. The development of a golf course at the Project has a number of advantages over development of golf courses at other sites on Oahu. The golf course use is compatible with the existing Waikale Naval Magazine located to the east of the proposed course, and is compatible with the proposed residential use to the west, golf course use to the south, and agricultural use to the north. It is close in proximity to Kapolei City as well as the expanding Central Oahu area. It is also close in proximity to planned resort developments at Ko Olina, Ewa Marina, and expansion at the Makaha Resort area. It will also provide an open space amenity to the residential and industrial elements of the community. The site will provide users with views to the south, as well as provide motorists with a mauka view of a maintained golf course.

69. A demand for additional golf course development exists on Oahu and the Project is expected to provide a golf course to address that demand.

70. The area to remain in agriculture as an agricultural park has good agronomic conditions. Most of the site is composed of good soils, and the area receives considerable sunshine. There will be an eventual water requirement of approximately 1 million gallons per day ("mgd") to irrigate crops. Further, the site is a short trucking

distance to the large Honolulu market for domestic sales and farm purchases, and to the airport and harbor for shipments to overseas markets.

71. There is a demand for State agricultural park leases on Oahu. The DOA maintains a list of parties interested in agricultural park leases which contains approximately 500 expressions of interest, representing approximately 350 individuals.

72. It is anticipated that the State of Hawaii will lease the agricultural park to the Hawaii Farm Bureau, who will manage it and sublease over 20 small lots to farmers.

ECONOMIC IMPACTS

73. A report entitled, "Proposed Royal Kunia Phase II: Impact on State and County Revenues and Expenditures," was prepared by Decision Analysts Hawaii, Inc., in July 1992.

74. During the construction of the Project, construction employment and total construction payroll will average approximately 430 jobs and \$19.4 million per year, respectively. However, these figures will fluctuate greatly from one year to the next, depending upon the phase of construction.

75. Direct on-site employment at Project build-out is projected to be approximately 1,450 jobs, most of which will be generated by light-industry activities within the industrial area. Additional employment will be provided by the golf

course, school, and grounds and home maintenance. The agricultural park should support approximately 30 farm related jobs. Total payroll for all of these jobs is projected to be approximately \$36.2 million per year.

76. State and County revenues which will be derived from the Project are expected to be significant and sufficient to allow government to afford the capital improvements and services required to accommodate the Project. The estimates of government revenues which will be derived from residents and commercial activities in the Project include taxes (property, excise, income, and other taxes), user charges and fees, earnings, and all other sources of revenues. The revenues are expected to be sufficient to: (1) finance park, fire-station, and school improvements; (2) provide the same level of per-unit services as is provided currently to island residents; and (3) serve additional community needs with the remaining net revenues.

77. Rollback taxes to the County resulting from withdrawal of the land from agriculture will be approximately \$500,000. At the Project's completion, County revenues derived from the Project are projected to be \$6.2 million per year, while expenditures to support the Project are expected to be \$4.7 million (including debt service on park and fire-station improvements), thereby resulting in net County revenues of approximately \$1.5 million per year. This compares to

approximately \$3,000 per year derived from property taxes on the Property when used for agriculture.

78. For the State, excise tax revenues generated by construction activity are estimated to be \$30.5 million, a sum which exceeds the \$10 million projected expenditure by the State for required improvements (primarily school improvements). Upon completion of the Project, State revenues derived therefrom are projected to be approximately \$17.2 million per year, with the largest revenues being derived from (1) excise taxes of \$5.3 million per year related to consumption expenditures of residents and sales of on-site businesses, and (2) personal and corporate income taxes of \$8.5 million per year paid by residents of the Project and on-site businesses. The remaining \$3.4 million per year in State revenues derives from a variety of sources related to population. Expenditures required to support the Project are estimated to be approximately \$12.1 million per year (including debt service on school improvements). Therefore, the State is estimated to receive a net income of approximately \$5.1 million per year. Currently, the State derives negligible tax revenues from activities on the Property.

SOCIAL IMPACTS

79. In March 1989, Earthplan prepared a social impact assessment for the Project. A second report was prepared by Earthplan in June 1992, which updates the information presented in the 1989 report.

80. The Property is part of the Waipahu Neighborhood Board area ("Waipahu Area") which extends from the H-2 Freeway to Kunia Road, and runs mauka - makai from Kupehau Road (south of Kunia Village) and Mililani Cemetery Road.

81. On the average, the Waipahu Area grew 4.2 percent a year; this rate is higher than the 2.6 percent average annual growth rate for Central Oahu. Approximately 19,300 persons live in the communities mauka of the H-1 Freeway. Approximately 32,000 people live in Waipahu Town and other areas makai of the freeway.

82. The Project is estimated to house approximately 6,060 persons, based on a household size of 3.03 persons. The Project's population represents a five percent increase over the 1990 Central Oahu population of 130,526 persons.

83. The Waipahu Area, particularly Waipahu Town, is generally lower on the economic scale in the islandwide community. Waipahu had proportionally more families below poverty level, less people in managerial/professional occupations, more immigrants, and lower educational levels. The residents mauka of the H-1 Freeway tend to have higher incomes, better-paying jobs, and a lower unemployment rate.

84. The Project is consistent with the community's desire for increased diversity in the community. The Project will bring in a population which will likely reflect the social and economic characteristics of the overall island.

85. Village Park is estimated to house a population of 5,500 persons. When fully developed, Royal Kunia Phase I could house approximately 7,500 people. The Project's estimated 6,060 residents will bring the total population of the three developments to approximately 19,060 persons.

86. The Project will increase the community's need for public services, as well as provide justification for more services and facilities. Both phases of Royal Kunia include public facilities to meet the needs of the additional population.

IMPACTS UPON RESOURCES OF THE AREA

Agricultural Resources

87. A report entitled, "Royal Kunia Phase II: Impact on Agriculture," was prepared by Decision Analysts Hawaii, Inc., in July 1992.

88. The agricultural value of the Property is high. The Property has all of the natural attributes necessary for the successful cultivation of agricultural commodities. It has fertile soils, low incidences of cloud cover, high levels of insolation, and access to inexpensive irrigation water.

89. Since the late 1960s, approximately 177,000 acres have been or will be released from sugar and pineapple cultivation.

90. Of the 177,000 acres released from sugar and pineapple, approximately 33,000 acres have been or are scheduled to be put to other uses, such as macadamia nut

cultivation, urban uses, and some golf courses. Therefore, over 140,000 acres will be available for diversified agriculture.

91. Approximately 5,000 acres of land are presently being used in diversified agriculture to supply the Hawaii market.

92. OSC has announced that it will cease operations, which will result in the release of 10,500 acres from sugar cultivation and the release of 350 workers.

93. The 150-acre State agricultural park will contribute to the growth of diversified agriculture on Oahu by increasing the supply of high quality and well-located agricultural land that is available to small farmers. Furthermore, the land will be offered at attractive lease rents.

94. The DOA supports Petitioner's proposal because it represents a unique opportunity for the State to acquire and have developed at minimal cost a usable-sized tract of prime agricultural land for diversified crop production made available to small farmers in five to 10-acre subdivided agricultural park lots under long-term leases at affordable rents.

95. The Hawaii Farm Bureau Federation supports the Petitioner's proposed reclassification of land with the understanding the Royal Kunia Phase II development includes the development of the agricultural park.

Flora

96. A botanical survey of the Property was conducted by Char and Associates in November 1988. A walk-through method was used in the survey. Almost the entire Property was covered with sugarcane (Saccharum officinarum). The Property was devoid of noteworthy botanical features.

97. A total of 59 species of vascular plants were found on the Property. Of these, 57 (97 percent) were exotic weeds or deliberately introduced plants and two (three percent) were native or presumed-native plants. None of the species found on the Property were officially listed as endangered or threatened, nor were any species proposed or candidates for such status.

98. There is little of botanical significance on the Property, as most of the area has been extensively cultivated in sugarcane for many years. The Project is not expected to have a significant impact on the total island populations of the species involved.

Fauna

99. An Avifaunal and Feral Mammal Survey was conducted on the Property by Phillip L. Bruner, Assistant Professor of Biology, BYU-H, in November 1988.

100. No endemic birds were recorded during the survey. No indigenous resident species were recorded. A total of 45 Pacific Golden Plover (Pluvialis fulva) were recorded during the survey. Most were seen along the roads which run in

all directions through the Property and in a recently cleared sugarcane field just outside the west boundary. No other migratory birds were recorded.

101. A total of 15 species of exotic birds were recorded. The most abundant species was the Zebra Dove (Geopelia striata) followed closely by the Japanese White-eye (Zosterops japonicus).

102. With respect to feral mammals, Mongoose (Herpestes auropunctatus) were commonly observed during the field survey. Feral cats were also observed. No rats or mice were observed, but a trapping program would likely show that their numbers are similar to that one would find elsewhere in sugarcane fields on Oahu.

103. Overall the conversion of the Property from a sugarcane monoculture to a more diversified habitat of trees and grass should have a positive effect on the populations of most bird species present on the Property.

Archaeological/Historical Resources

104. An archaeological reconnaissance survey of the Property was conducted in November 1988 by Joseph Kennedy of Archaeological Consultants of Hawaii.

105. At the time of the survey, the entire Property was covered in sugarcane. The Property contains no remaining above-ground archaeological features and offers little opportunity for subsurface recovery. The data that support this conclusion include survey results, lack of indicator data

of past use from the literature and map sources, and an environmental setting that does not lend itself to permanent habitation. There appears to be no need for additional archaeological work on the Property.

106. Because no evidence of past utilization in the form of structural or midden remains were found, and because there have been no archaeological or historical sites previously recorded on the Property, there should be no adverse impacts caused by the Project.

107. Should any archaeological or historic remains be uncovered during construction, Petitioner will stop further construction in the area and will immediately notify the State Historic Preservation Division, Department of Land and Natural Resources.

Groundwater Resources

108. A report entitled, "Environmental Impact of Fertilizer, Herbicide and Pesticide Use on the Proposed Royal Kunia Phase II Golf Course," was prepared by Charles L. Murdoch, Ph.D., and Richard E. Green, Ph.D., in November 1988.

109. The development of the proposed golf course will require the application of fertilizers to supply essential nutrients to turfgrasses and ornamental plants and pesticides to control their associated weed, disease, and insect pests. The primary fertilizer elements of concern for contamination of ground and surface waters are nitrogen and phosphorus.

110. Phosphorus is attached very tightly to iron and aluminum hydroxides which are plentiful in the soil of the Property and moves little if any from the site of application. Phosphorus, therefore, will not cause any problem with contamination of drainage water.

111. Nitrate leaching can be avoided by careful management of both irrigation and nitrogen fertilization. Golf courses have permanent sprinkler irrigation systems with sophisticated controllers, which can be adjusted to apply a selected amount of water on each cycle. Therefore, over-irrigation or excessive watering will be avoided, reducing the chance of runoff or leaching of nitrogen below the root zone. Turfgrass roots are also excellent scavengers of nitrate, and therefore, nitrates will be used rapidly after application.

112. Recharge of groundwater from infiltration in the Property will be minimal due to the relatively low rainfall much of the year and high evapotranspiration in the area. Additionally, the organic matter in the soils located in the area (Molokai and Lahaina soils) will tend to retard movement of most pesticides below the ground surface. The pesticides used are highly absorbed and/or rapidly degraded under moist soil conditions. The soils in the area have relatively deep profiles (more than 36 inches) which will retard vertical movement of applied chemicals to subsurface waters and provide an opportunity for biological and chemical degradation.

113. Runoff amounts will be negligible on the permeable, relatively level Molokai and Lahaina soils, especially after establishment of a turfgrass cover. Since runoff from the golf course can be initiated only by sustained, high-intensity rainfall, storms causing runoff from the golf course will result in massive quantities of water in intermittent streams fed from off-site. Thus, runoff from the golf course will be highly diluted, so that any negative impact of transported chemicals on local streams or on coastal waters is unlikely.

114. Petitioner has represented that a qualified Golf Course Superintendent will be given the responsibility of managing the golf course. Petitioner has also represented that it will establish a groundwater monitoring program and will comply with current guidelines and conditions of the State Department of Health to protect groundwater resources and other environmental resources.

115. The Board of Water Supply, City and County of Honolulu, has recommended that, in order to protect the quality of potable groundwater sources in the area, the non-potable irrigation water to be used for the golf course shall be of comparable quality or better, in terms of chlorides and nitrates, to the quality of the groundwater in the area.

Scenic Resources

116. The lower portion of Kunia Road is distinctly non-agricultural due to the H-1 Freeway, the Village Park

development, and the Royal Kunia Phase I development. It has a lowrise residential character, landscaped with ornamental plants and suburban type intersections and roadways connecting to Kunia Road. This character may be representative of the Project, which will replace most of the agricultural (sugarcane) crops currently occupying the Property. While it will create a distinct visual difference, there are no significant public views or visual features that will be impacted.

117. Measures which will serve to mitigate visual impacts include: maintenance of a substantial landscaped setback along Kunia Road, incorporation of large bodies of open space (such as the proposed golf course) and street tree plantings within the development, and low height limits on industrial buildings adjacent to Kunia Road with additional screening provided with solid walls in conjunction with approved thematic landscape plantings.

ENVIRONMENTAL QUALITY

Noise

118. Existing sources of noise along the Property include vehicular traffic along the cane haul road and Kunia Road.

119. In addition to the existing sources of noise, potential sources of noise generated by the Royal Kunia Phase II development include increased vehicular traffic along

Kunia Road, and noise generated by industrial uses, agricultural park, golf course, and recreational areas.

120. The existing cane haul roads on the Property will be rerouted to the area mauka of the Project. Coordination with OSC will ensure that the rerouting will take into consideration the development of the Project. The closest cane haul road to the site will be a substantial distance away from the residences. The industrial area and the agricultural park will be between any cane hauling activity and the residential areas.

121. Most of the Kunia Road frontage will be for industrial development and the agricultural park, which will be a buffer between the noise generated by traffic on Kunia Road and the residential areas. Where the residential development adjoins Kunia Road, appropriate setbacks and landscaping will be introduced to buffer the noise.

122. There is a potential for noise generated in the industrial areas to impact the adjacent areas planned for residential use. Petitioner has represented that uses in the industrial area will be used primarily for "light industries," such as research and development and communications and technology. Restrictive covenants, including restrictions on noise, will be drafted and incorporated by Petitioner into any conveyance or lease agreement to ensure a compatible relationship between the industrial uses and the other components of the Project. Petitioner has represented that it

will follow all City and County and State laws relating to noise, including without limitation all City ordinances relating to the separation of industrial and residential districts.

123. An 18-hole golf course and a 10-acre public park that are proposed for the Project may generate noise and impact the residential areas. The noise generated from such facilities should be minimal.

Air Quality

124. A report entitled, "Air Quality Study for the Proposed Royal Kunia Phase II Project (Revised)," dated May 13, 1992, was prepared by B.D. Neal and Associates.

125. Except for occasional dust and smoke from nearby agricultural operations, the present air quality of the Property is relatively good. Air quality data from nearby monitoring stations operated by the State indicate that both State and National air quality standards are currently being met, although it is likely carbon monoxide concentrations may occasionally exceed the more stringent State standards near traffic-congested areas.

126. The major potential short-term air quality impact for the Project will occur from the emission of fugitive dust during construction. The impact upon air quality during construction will be mitigated by the implementation of a dust control plan to ensure compliance with State regulations. Fugitive dust emissions will be controlled by watering of

active work areas, using wind screens, keeping adjacent paved roads clean, and by covering of open-bodied trucks. Other dust control measures will include limiting the area that can be disturbed at any given time and/or mulching. Paving and landscaping of the Property early in the construction schedule will also reduce dust emissions. Exhaust emissions will be mitigated by moving construction equipment and workers to and from the Property during off-peak traffic hours, whenever practicable.

127. Vehicles coming to and from the Project will use Kunia Road and the Project collector roads. To assess the impact of emissions from these vehicles, an air quality modeling study was undertaken to estimate current ambient concentrations of carbon monoxide along Kunia Road and to predict future levels both with and without the Project. Present carbon monoxide concentrations were estimated to be well within National ambient air quality standards but may occasionally exceed the State standards during adverse conditions near Kunia Road/Kupuna Loop intersections. In the year 2005 without the Project, concentrations were predicted to decrease at the Kupuna Loop intersections to levels meeting the State standards even with the additional traffic associated with Royal Kunia Phase I development and other growth in the area. This is due to the effects of older, more-polluting vehicles leaving the State's roadways during the next several years. With the Project, worst-case concentration levels will

continue to occasionally exceed the State standards in small "hot spot" areas near Kunia Road/Kupuna Loop (south) intersection while the National standards will be met, but the highest concentrations in the Property will likely be lower than present worst-case values.

128. Traffic-related impacts upon air quality can be mitigated by improving roadways and reducing traffic. Aside from improving roadways, air pollution impacts from vehicular emissions could be additionally mitigated by reducing traffic through the promotion of bus service and car pooling and/or by adjusting local school and business hours to begin and end during off-peak times. Petitioner has represented that it will encourage the use of the park and ride facility located at Royal Kunia Phase I.

129. Any long-term impacts on air quality due to indirect emissions from supplying the Project with electricity and from the disposal of waste materials generated by the Project will likely be small based on the relatively small magnitudes of both the estimated demands and the indirect emissions.

130. Air quality impacts from possible emissions from the activities within the agricultural park will be in the form of dust or pesticide usage. These emissions will be mitigated by the wind pattern in the area which will tend to carry the emissions away from the residential areas of the Project.

131. There will be no significant adverse effects on air quality from application of herbicides or pesticides in the management of the golf course provided that appropriate application techniques are used.

132. OSC's compliance with State regulations pertaining to agricultural burning will help minimize impacts on the Project from such burning. Petitioner has represented that potential residents of the Property will be made aware of the nearby sugarcane operations. Additionally, a minimum separation distance of 1,000 feet will be maintained between the cane haul roads and the residential areas of the Project, in order to minimize the impact of fugitive dust generation from cane hauling activities.

Dust and Erosion

133. An Engineering Study for Royal Kunia Phase II was prepared by ParEn, Inc., in August 1992.

134. The entire Property will be graded. Expected impacts from grading include: dust from grading operations and exposed soil subject to wind and rainfall erosion.

135. Dust generation and soil erosion will be minimized by compliance with the City and County of Honolulu's grading ordinance, Chapter 23, Grading, Soil Erosion and Sediment Control, Revised Ordinances of Honolulu, 1978, as amended. Erosion control measures will be implemented as outlined in the City and County of Honolulu Soil Erosion Standards and Guidelines, November 1975.

ADEQUACY OF PUBLIC SERVICES AND FACILITIES

Highways and Roadway Facilities

136. A Traffic Impact Analysis Report was prepared by Julian Ng, Inc., in April 1992.

137. The Project is located adjacent to Kunia Road approximately 1.2 miles north of Kunia Interchange of Interstate Route H-1. Between the interchange and the development, there are two intersections on Kunia Road for access to the existing Village Park Subdivision and one proposed intersection on Kunia Road for access to Royal Kunia Phase I. Further to the south, Kunia Road intersects Farrington Highway and connects directly to the realigned Fort Weaver Road. It also partially intersects Honowai Street and Waipahu Street. This network serves the Project with interconnections with Waipahu and Ewa. To the north, Kunia Road provides direct access to Schofield Barracks, Wheeler Field, Wahiawa, and the North Shore.

138. In 1990, Kunia Road north of Village Park, adjacent to the Project, served an average daily traffic ("ADT") of 8,100 vehicles. Existing peak hour highway conditions on Kunia Road were described by Level of Service ("LOS") D.

139. If the Project is not developed, the ADT on Kunia Road is projected to increase from 8,100 vehicles per day ("VPD") in 1990 to 12,600 VPD in 2005. Peak hour conditions in the year 2005 are projected to be LOS B for a four-lane Kunia

Road; if Kunia Road were to remain a two-lane highway, peak hour conditions would be described by LOS E.

140. Access to the Project is proposed through a new intersection with Kunia Road and an internal roadway connecting to Royal Kunia Phase I and Village Park. The proposed collector will connect to Kunia Road in a T-intersection and will be signalized. The new intersection will be located approximately 1.4 miles north of the existing Kunia Interchange of Interstate Route H-1.

141. The Project is estimated to generate a peak hourly volume of 3,020 vehicle trips. Many of these trips, however, are expected to remain within the Village Park/Royal Kunia area because of the mix of activities provided, resulting in a net impact to Kunia Road of approximately 2,010 vehicles per hour.

142. As part of the off-site roadway improvements to support Royal Kunia Phase I, Petitioner has represented that it will widen Kunia Road from two to four lanes between the Kupuna Loop south intersection and the Phase I Collector, install a new traffic signal at the intersection of Kunia Road and the Phase I Collector when warranted, and provide separate median left turn lanes at the intersections. At its approach to Kunia Road, the Phase I Collector will have two left turn lanes and a separate right turn lane, similar to the existing south Kupuna Loop approach.

143. The addition of a third lane in each direction on Kunia Road between the north Kupuna Loop intersection and Kunia Interchange will serve to accommodate the additional traffic generated by the Project with minimal impact to the traffic conditions on Kunia Road.

144. The impact to traffic conditions on Kunia Road to the north of the Project, where peak hour volumes could increase by as much as 20 percent will be minimal, and LOS will not be affected by the Project.

145. At the intersection of the Phase II Collector and Kunia Road, proper signalization will serve to accommodate the traffic generated by the Project. Adequate capacity will be available, with LOS B and LOS C describing peak hour conditions.

146. The timing of the signalized intersections on Kunia Road to the south of the Project, including the intersection for Royal Kunia Phase I, will also serve to accommodate the additional traffic generated by the Project, with good peak hour LOS.

147. Using the population estimates from the Department of Planning of the City and County of Honolulu for the year 2005, the Project will house less than three percent of the future residents in the Central Oahu and Ewa regions. In the year 2010, this percentage drops to less than 2-1/2 percent. The Project will increase traffic demand by the same percentages mentioned above if the traffic characteristics of

future residents remain the same as those of the existing residents. The Project's impact upon traffic is expected to be less, however, because future developments in Ewa and Central Oahu will provide job sites away from the central core of Honolulu, and therefore, many residents will not be travelling towards the central core.

148. Measures such as ride-sharing or increased mass transit service, coordinated with a transportation management association or with employers, and utilizing the park-and-ride site in Royal Kunia Phase I, could improve transportation options for future employees, residents, and visitors at Royal Kunia.

149. The Department of Public Works, City and County of Honolulu, comments that all proposed roads should be designed to City standards. All dedicated roadways that will be accessible to pedestrian traffic should be designed to accommodate persons with disabilities. Existing streets used as ingress and egress to the Project may also need upgrading to accommodate the demands of the Project.

150. The State Department of Transportation ("DOT") comments that Petitioner should be required to provide the following:

- A. All of the other improvements needed (which will not be provided by the Village Park and Royal Kunia, Phase I projects) to make Kunia Road a 4-lane highway with auxiliary lanes for both left and right turning movements (between Kunia Interchange and the northernmost boundary of

Royal Kunia, Phase II) and a third northbound lane between Kunia Interchange and the north Kupuna Loop intersection.

- B. A report that analyzes the impact of the proposed Phase II project's traffic on the Kunia Interchange and evaluate alternatives that will mitigate the impacts.
- C. Plans for construction work within the State highway right-of-way must be submitted to DOT, Highways Division for review and approval.

DOT also states that all required improvements must be provided at no cost to the State and shall comply with all applicable State design standards.

151. Act 149, 1993 Session Laws of Hawaii (formerly Senate Bill No. 5), amends Section 226-17, HRS, and sets forth a requirement that planning efforts for a Statewide transportation system accommodate and be consistent with planned growth objectives throughout the State, and also sets forth the policy of the State to coordinate intergovernmental land use and transportation planning activities to ensure the timely delivery of supporting transportation infrastructure in order to accommodate planned growth objectives.

152. The planned growth objectives for the island of Oahu, pursuant to the projected increase in population, designates the Ewa area as a location of a secondary urban center and the Central Oahu area for additional residential development to support the increasing population.

153. Although the Property is located within the Central Oahu Development Plan area, from a transportation

perspective, the Property is more relevant to the Ewa Development Plan area. Any traffic generated from the Property will be joining traffic that is generated in the Ewa area as opposed to the Central Oahu area. From a traffic perspective, the Project is consistent with the planned growth objectives of directed growth in the Ewa area.

154. In the effort to coordinate transportation and land use planning activities, Petitioner has participated and continues to participate in a regional transportation plan for the Ewa area, namely, the Ewa Region Highway Transportation Master Plan. Although the Property is in the Central Oahu Development Plan area, Petitioner is participating in a transportation plan for the Ewa region because the transportation services related to the Project will be affected by and will affect the traffic in the Ewa region.

155. The Ewa Region Highway Master Plan Working Group consists of major developers in the Ewa region who funded a study and who worked with the planning and transportation agencies of the State of Hawaii and City and County of Honolulu in preparing the Ewa Region Highway Transportation Master Plan.

156. The Ewa Region Highway Transportation Master Plan estimated the level of development in the region for the years 1997 and 2005, including Royal Kunia Phase I and Phase II, and projected traffic volumes for such development. The traffic improvements necessary to support such development were

identified and recommended in the Plan for the years 1997 and 2005.

157. The recommendations in the Ewa Region Highway Transportation Master Plan for the year 1997 have been conceptually approved by the DOT, and the Working Group has been asked to implement the Plan. The DOT supports the participation of Petitioner in the Ewa Region Highway Master Plan. The year 2005 plan is presently under review with the State.

158. The Ewa Region Highway Transportation Master Plan includes recommendations which directly affect the Project including: a second off-ramp lane from the H-1 Freeway to Kunia Road, mauka bound, and the widening of Kunia Road from two to four lanes, mauka of the Kunia Interchange. Royal Kunia Phase I includes the widening of Kunia Road fronting the Project down to the Kunia Interchange, and includes a second right-turn lane from the H-1 Freeway off-ramp onto Kunia Road.

159. The industrial park and the agricultural park within the Royal Kunia Phase II development will provide jobs and serve to help decentralize jobs from the central Honolulu area and ease the growth of job-related traffic demands on the traffic corridors into and out of central Honolulu.

160. Petitioner is an active member of the Leeward Oahu Transportation Management Association ("LOTMA"). The objective of LOTMA is to take a leadership role in the transportation needs of the Leeward Oahu region and to be

proactive in finding solutions to transportation problems and providing needed services and programs related to transportation.

161. In the effort to coordinate private and public sector transportation and land use planning activities, LOTMA works closely with the State of Hawaii and City and County of Honolulu transportation departments, and the transit authority in implementing its programs.

162. Petitioner has taken steps towards implementing LOTMA's goals and objectives by, among other things, distributing to homeowners LOTMA's literature providing information on ride sharing, bus services and carpooling, providing park and ride facilities, providing child care facilities, and educating the residents with respect to LOTMA's programs and objectives.

163. The DOT is currently working on plans to improve the highway system from the juncture of the H-1 and H-2 freeways to downtown Honolulu to provide temporary relief for commuters originating from Leeward and Central Oahu and traveling into downtown Honolulu.

Water Service

164. The existing Village Park Subdivision and a portion of Royal Kunia Phase I are currently serviced by Kunia Well II. Source and storage facilities are located approximately 0.8 miles above Village Park along Kunia Road. This site includes a 1.5 mg "440" reservoir, a 1.0 mg "440"

reservoir, and two deep wells. An activated carbon water treatment system at this site has been installed for contaminant removal by Petitioner and has been dedicated to the Board of Water Supply.

165. The development of the Project will require an average flow of 1.56 mgd. The flow requirement was computed according to the Board of Water Supply, City and County of Honolulu, Water System Standards, Volume 1, 1985, as amended.

166. A Water Master Plan and Interim Water Master Plan were approved by the City and County of Honolulu, Board of Water Supply, on November 29, 1989 and November 5, 1990, respectively. A revised Water Master Plan was submitted to the Board of Water Supply on July 2, 1992.

167. The following improvements will be installed with the development of the Project:

1. One deep well to be located at the Kunia Wells II site;
2. One booster pump to be located at the Kunia Wells II site;
3. Two Granular Activated Carbon contactor units to be located at the Kunia Wells II site; and
4. One permanent concrete reservoir (two million gallons).

168. Golf course and agricultural park irrigation will require an approximate average flow of 1.45 mgd. The golf

course will require an average flow of 750,000 gal/day and the agricultural park will require an average flow of 700,000 gal/day.

169. Water requirements for golf course and agricultural park irrigation will be obtained from Waikele Stream. Petitioner has received a Stream Channel Alteration Permit from the Commission on Water Resource Management to extract the required water from Waikele Stream. In addition, approximately 40 percent of the storm runoff generated by this Project will be diverted into golf course detention basins and can be used to irrigate the golf course.

170. A possible alternate source of non-potable water is the Waiahole Ditch. There is a possibility that there will be excess water available from Waiahole Ditch, which may be able to provide an additional source of non-potable water for the Project.

Wastewater Disposal

171. Wastewater from the Project will be collected by a network of pipes and will flow through Royal Kunia Phase I via a 24" trunk line and will terminate at the existing Waipahu Sewage Pump Station on Depot Road. From there, the wastewater will be pumped to the Honouliuli Sewer Treatment Plant.

172. Average daily wastewater flow generated by the development of the Property will be approximately 1.8 mgd. The flow requirement was computed according the City and County of

Honolulu, Design Standards of the Division of Wastewater Management, Volume 1, February 1984, as amended.

Drainage

173. Approximately 50 percent of the storm runoff generated by the Project will be carried by various drainage facilities running through Royal Kunia Phase I and the existing Village Park Subdivision. The runoff will then flow into existing drainage facilities that are maintained by the City and County of Honolulu.

Approximately 40 percent of the storm runoff generated by the new development will be detained and diverted into the golf course detention basin. The runoff will then flow over land and by pipe to the Royal Kunia Golf Course II detention basin. The detention basin will serve to temporarily detain runoff and reduce the peak flows to conditions prior to development. Approximately 10 percent of the storm runoff generated by the new development will discharge down a gully and into Waikele Stream. Development of the Property is not expected to have any noticeable impact upon the configuration of Waikele Stream. Flow levels and water quality of Waikele Stream are not expected to be altered or changed to any noticeable or measurable degree.

174. A Drainage Master Plan has been submitted to and approved by the City and County of Honolulu, Department of Public Works, on January 16, 1991. Storm runoff will be handled by on-site improvements that will be designed in

accordance with current City and County Drainage Design Standards.

Solid Waste Disposal

175. The City and County of Honolulu is providing refuse collection service for the existing Village Park Subdivision and Royal Kunia Subdivision Phase I. Within the Ewa area, the City and County operates the Waipahu Incinerator.

176. After the Project is fully developed, it will generate approximately 32 tons of light industrial, institutional, and residential solid waste per day.

177. Refuse collection will be provided by both government and private work forces. The City and County of Honolulu will service single-family dwellings, while private collectors will service commercial and business establishments. Apartment units can be served by either the City and County or private collectors.

Schools

178. State Department of Education ("DOE") officials estimate that the Project will generate an estimated total of 732 students. Approximately 448 students will attend grades kindergarten through six. The Project will generate an estimated 132 students in the intermediate school grades of seven and eight. Approximately 152 students will be generated in the high school category.

179. Existing schools which will be impacted by this increase in enrollment include Kaleiopuu Elementary School in

Village Park; Waipahu Intermediate School, which is approximately in the middle of Waipahu Town and makai of Farrington Highway; and Waipahu High School, located at the eastern end of Waipahu Town and makai of the main highway. In addition, Royal Kunia Phase I has reserved a school site.

180. The Project will impact the public education facilities by adding more students to the area. The intermediate and high schools in this district are already operating near or at capacity. Additional facilities will be needed to accommodate any major population increase anticipated in Waipahu, whether it is generated by Royal Kunia Phase I, Waikele, or the Project.

181. Kaleiopuu Elementary School is projected to reach its design enrollment by 1995 due to the development of Royal Kunia Phase I.

182. An elementary school site within Royal Kunia Phase I is planned, and the Project has also reserved an elementary school site. Petitioner will work closely with the DOE to ensure that the proposed school site meets the requirements of the DOE, including acreage size and fire truck access.

183. The DOE cannot assure the availability of classrooms to accommodate the projected 732 students from this Project. The schools in the area are operating beyond capacity with a shortage of classrooms. A new elementary school will be required for the area pending the availability of funds.

Parks

184. Village Park currently has the Hoaeae Park within its boundaries. Royal Kunia Phase I includes 10.3 acres for a public park and 12.1 acres for a private recreation area, as well as two golf courses.

185. The Project includes 10 acres intended for park dedication and one golf course. The 10-acre dedication meets the acreage requirements of the Park Dedication Ordinance. Additional public funds will be needed to improve and maintain the park site.

186. During the governmental approval process, Petitioner has represented that it will communicate with the Department of Parks and Recreation to establish the exact location, size, and configuration of the park site.

Health Care

187. Kahi Mohala, a psychiatric treatment facility, and St. Francis Medical Center - West are located near the Property. The latter facility is a general community hospital which contains 136 acute care beds and has 130 resident physicians. The hospital offers X-ray, laboratory, obstetrics, and emergency services. St. Francis is requesting State and City and County approvals to increase the land area and further develop the center according to its five-year master plan. The master plan calls for a research and wellness/conference facilities, office building, day care, and skilled nursing and support facilities.

188. Near the Pearlridge Shopping Center, the Pali Momi Medical Center houses 116 beds, an ambulatory services center, and a medical office building. In Moanalua, the Kaiser Foundation Health Plan has a central hospital. Kaiser subscribers in the Waipahu area can also use services at the Punawai Clinic. Queens Development Corporation will be locating a long-term care facility near the Waipahu High and the Ted Makalena Golf Course. This nursing home will offer 180 beds for long-term patient care and is estimated to be completed in 1994.

189. The Waipahu Fire Station will respond to emergencies at the Property, and backup will be provided by the City ambulance at Aiea.

190. The existing health care facilities in the vicinity will be adequate to serve the residents of the Project.

Police and Fire Protection

191. The Pearl City Police Station on Waimano Home Road currently serves Waipahu, Ewa and Waianae, the latter of which has a substation. The Project is in the Waipahu District, Beat 328. The Beat has one officer per watch and assistance can be provided by the other six officers assigned to the district. Recently an additional Beat was added due to the population increase in the area.

192. The Project will add approximately 6,060 residents to this area. As with any other development, an increase in the population and density will increase the demand

for police services. Further, additional population will increase traffic, raising the potential for traffic-related accidents.

193. Waipahu community leaders have been requesting a police substation in the Waipahu area. To meet the needs of this growing community, the Police Department has been planning a number of changes in conjunction with the development of Ewa. In addition to new facilities and additional staff, the possibility of establishing a new district which includes Ewa and Waianae is being studied. If this occurs, then the district covered by the Pearl City Police Station will be smaller and police protection services may be more efficiently delivered.

194. Fire protection at the Property is provided by two engine companies and one ladder company, which are stationed at the Waipahu and Pearl City Fire Stations. The Waipahu Fire Station has an engine and a ladder company, and 12 people staff these companies in one 24-hour shift. The Pearl City Fire Station has an engine company and six firefighters available in a 24-hour shift. Backup is provided by the Waiau, Aiea, and Moanalua Fire Stations.

195. The Project will increase the demand for fire protection services by adding approximately 6,060 people to the area. Plans for adding or expanding Waipahu facilities may need to be expedited if the existing facilities cannot accommodate the needs of the growing population.

196. The most immediate plans for fire department improvements are for facilities in the nearby Ewa region. Planning and design funds have been received for a new fire station at the James Campbell Industrial Park. This is envisioned as an engine-and-ladder company which will have its own battalion chief. Other possible improvements in Ewa include new fire stations at Ko Olinā and Tenney Village, and the possible relocation of the Ewa Beach Fire Station. In Waipahu, new fire stations at Waikele and on Kunia Road have been discussed, but these are very preliminary.

Electric and Telephone Service

197. The Hawaiian Electric Company ("HECO") Hoāeae substation which services the Village Park subdivision is not adequate to provide service to Royal Kunia Phases I and II. New electrical facilities will therefore be installed within Phases I and II. Additional telephone facilities will also be installed within Royal Kunia Phase I and extended to Phase II.

198. A new HECO substation (Kunia Makai Substation) with one transformer and a new 12 KV distribution feeder system originating from the new substation will be installed with the development of Royal Kunia Phase I and will serve the Project as well.

199. Hawaiian Telephone Company is in the process of building a substation within Royal Kunia Phase I which will provide enough service to accommodate both Royal Kunia Phase I and Phase II.

Civil Defense

200. The State Department of Defense, Office of the Director of Civil Defense, comments that emergency warning systems must be planned for the safety of communities, just as parks, schools, fire hydrants, utilities, and sidewalks. The Civil Defense agency proposes that three new 115 decibel ("DB") solar powered outdoor warning sirens be located within the Project. The proposed 115 DB sirens require a 100-foot radius buffer zone in which there are no residential buildings.

201. The Oahu Civil Defense Agency of the City and County of Honolulu states that full consideration must be given to adequate public warning, evacuation, and sheltering of planned residential and commercial developments. The Oahu Civil Defense Agency estimates that six 115 decibel civil defense sirens should be installed as part of the Project's infrastructure.

COMMITMENT OF STATE FUNDS AND RESOURCES

202. State and County revenues which will be derived from the Project are expected to be significant, and sufficient to allow government to afford the capital improvements and services required to accommodate the Project.

CONFORMANCE TO URBAN DISTRICT STANDARDS

203. The proposed reclassification conforms to the standards applicable for determining the boundaries for the Urban District as set forth in section 205-17, HRS, and section 15-15-18, H.A.R.

204. The Property is in proximity to several employment centers, including Pearl Harbor/Airport, Waipahu, the secondary urban center of Ewa, and Schofield/Wahiawa. The Property is also adjacent to Royal Kunia Phase I and its associated commercial and industrial area and golf and recreational areas. In addition, the proposed industrial area within the Project will generate new employment opportunities.

205. The Project is economically feasible, as demonstrated by Petitioner's finances and market assessment.

206. The Project is in proximity to facilities and services that serve Royal Kunia Phase I, Village Park, and Waipahu Town. These facilities can be expanded to adequately service the Project.

207. By the year 2010, a shortfall of 21,800 residential units or an average of 1,090 units per year is projected. The residential units in the Project will be constructed in the mid-1990s and absorbed into the market at the rate of 500 units per year. The Project will therefore contribute towards mitigating the chronic housing shortage problem.

208. The Property is suitable for urban development. Its topography is relatively flat and non-stony; it is not prone to flooding or other natural hazards, and the soils are stable.

209. The Project is contiguous with Royal Kunia Phase I which in turn connects to Village Park. Supportive

services will be provided primarily through the expansion of existing services to neighboring communities. Any new governmental supportive services will be offset by the tax revenues generated by the Project.

CONFORMANCE WITH THE GOALS, OBJECTIVES AND POLICIES
OF HAWAII STATE PLAN; RELATIONSHIP WITH APPLICABLE
PRIORITY GUIDELINES AND FUNCTIONAL PLANS

210. The urban designation of the Property is in general conformance with the Hawaii State Plan and the overall theme, goals, objectives and priority guidelines for the future long-range development of the State.

211. In conformance with HRS Section 226-5(b)(1), (b)(3), and (b)(7), the Project responds to both Statewide and local policies which rely upon Oahu and in particular the Ewa and Central Districts, to accommodate a substantial amount of increase in population in Hawaii. The Project will provide a significant amount of the affordable housing needed to support such growth policies and objectives. A substantial percentage of the residential units will be provided for moderate income groups, thereby providing an opportunity for a larger segment of Hawaii's people to pursue their social and economic aspirations through home ownership.

212. In conformance with HRS Section 226-104(a)(3), adequate support facilities are available or shall be provided through the development of the Project. Other public expenditures for services and infrastructure will be offset by

an increase in the tax revenues generated through general excise, property, and other forms of taxation.

213. In conformance with HRS Section 226-6(a)(1) and (b)(3), the Project will include 123 acres of land for industrial activities generating an employment of approximately 1,450 people. A variety of business activities are envisioned, including the availability of various industrial lot sizes to accommodate the small businesses, as well as the larger and expanding businesses.

214. In conformance with HRS Section 226-7(a)(2), 226-103(d)(1), (d)(7), and (d)(8), the proposed 150-acre State agricultural park will contribute to the growth of diversified agriculture on Oahu by increasing the supply of high quality and well-located agricultural land that is available to small farmers.

215. In conformance with HRS Sections 226-13(b)(7) and 226-104(b)(1), the Project borders Royal Kunia Phase I and the existing Village Park and is therefore in close proximity to public services and facilities. Petitioner will provide the necessary support facilities to include sewer, water, drainage, and roadways. Anticipated tax revenues generated by the Project will exceed the cost for other public facilities and services.

216. In conformance with HRS Section 226-11(b)(4), no critical resources will be irretrievably damaged by the Project. There are no native or endangered species, habitats,

archaeological sites, or other environmentally sensitive areas within the Property.

217. In conformance with HRS Section 226-15(b)(1), the Project will be developed with a modern wastewater disposal system and will be a component to an overall sewer system for the region. The implementation of Royal Kunia's wastewater facilities is being coordinated with the Division of Wastewater Management, which is in the process of expanding the existing Waipahu Sewage Pump Station and Honouliuli Wastewater Treatment Plant.

218. In conformance with HRS Section 226-16(b)(1), sufficient water is available to support the Project.

219. In conformance with HRS Section 226-17(a)(2), (b)(2), and (b)(12), the planning and design efforts of the Petitioner will be coordinated with appropriate Federal, State, and County agencies regarding the achievement of Statewide transportation objectives. On-site transportation systems to include roadway design and widening, timed signalization of intersections, bus shelters, parking, and other physical elements, shall be designed to ensure efficient traffic management. Petitioner has initiated and participated in measures to mitigate regional traffic impacts and has promoted the coordination of land use and transportation planning activities through participation in the Ewa Highway Transportation Master Plan Working Group and in LOTMA.

220. In conformance with HRS Section 226-18(b)(4), extension of electric and telephone facilities will be planned to coincide with the Project's development. Such facilities will be extended from existing adjacent community facilities. On-site facilities for the utility systems will have a minimal impact on the environment. Noise, aesthetic considerations, safety hazards, and loading impact will be within normally applied guidelines.

221. In conformance with HRS Sections 226-19(b)(1), (b)(2), (b)(3), (b)(5), and 226-104(b)(1), the Project will contain 2,000 residential units. A substantial percentage of the residential units will be provided for moderate income groups, while higher priced units are intended along the perimeter of the golf course. The Project will provide a broad range of unit types and unit prices which will appeal to a range of home buyers and a wide range of family sizes.

222. In conformance with the objectives and policies of the State Agriculture Functional Plan, the 150-acre State agricultural park will contribute to the growth of diversified agriculture on Oahu by increasing the supply of high quality and well-located agricultural land that is available to small farmers.

223. In conformance with the objectives and policies of the State Health Functional Plan, health and medical care facilities are located in the immediate region and are expected to accommodate the additional population of the Project.

Environmental matters of the State Health Plan have been addressed relating to air quality, use of chemicals, noise impacts, and the adequacy of public facilities and services. Where adverse impacts have been identified, appropriate mitigative measures have been proposed by Petitioner.

224. In conformance with the objectives and policies of the State Housing Functional Plan, the Project will contribute significantly to the State's housing inventory in offering a broad range of unit types at various sizes and costs.

225. In conformance with the objectives and policies of the State Historic Preservation Functional Plan, no significant archaeological or historical sites exist in the area.

226. In conformance with the objectives and policies of the State Recreation Functional Plan, the Project includes a 10-acre public park and will also include an 18-hole golf course as a major amenity.

227. In conformance with the objectives and policies of the State Transportation Functional Plan, necessary roadway modifications will be made and mitigative measures such as a park and ride program will be encouraged by Petitioner.

228. In conformance with the objectives and policies of the State Energy Functional Plan, energy conservation methods will be investigated for use in the Project, and buildings, where possible, will be designed to take advantage of natural ventilation.

229. In conformance with the objectives and policies of the State Water Resources Functional Plan, Petitioner will coordinate with the State Department of Land and Natural Resources and the Board of Water Supply in addressing the Project's water needs. The proposed water system development for the Project is not expected to be of any significant impact. Water quality impacts in the area are expected to be minimal.

CONFORMANCE WITH COASTAL ZONE MANAGEMENT OBJECTIVES AND POLICIES

230. The Project complies with and supports the objectives of the Hawaii Coastal Zone Management Program.

231. In compliance with recreational resources objectives, the proposed 10-acre park and an 18-hole golf course, together with other recreational amenities in Royal Kunia Phase I, will serve the recreational needs of the residents.

232. In compliance with historic resources objectives, no archaeological or historically significant resources are known to exist on the Property.

233. In compliance with scenic and open space resources objectives, development along Kunia Road will have a substantial landscaped setback area to ensure visual compatibility between the current agricultural character and the Project. The 18-hole golf course and street tree plantings, and other landscape amenities, will have substantial

mitigative effects in minimizing the overall impact of the Project when viewing in a mauka direction.

234. In compliance with coastal ecosystem objectives, development of the Property is not expected to have any notable impact upon the configuration of Waikele Stream, and flow levels and water quality of the stream are not expected to be altered or changed to any measurable degree.

235. In compliance with economic uses objectives, the Project, especially the industrial area, will stimulate the regional, County, and State economies.

236. In compliance with coastal hazards objectives, the Project is not subject to inundation by coastal storm waves or tsunamis due to its inland location. A drainage master plan has been submitted to and approved by the Department of Public Works.

RULING ON PROPOSED FINDINGS OF FACT

Any of the proposed findings of fact submitted by Petitioner and 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 finding of fact shall be deemed or construed as a conclusion of law; any finding of fact herein improperly designated as a conclusion of law shall be deemed or construed as a finding of fact.

CONCLUSIONS OF LAW

Pursuant to chapter 205, HRS, and the Hawaii Land Use Commission Rules under chapter 15-15, H.A.R., and upon consideration of the Land Use Commission decision-making criteria under section 205-17, HRS, this Commission finds upon a clear preponderance of the evidence that the reclassification of the Property consisting of approximately 504.865 acres of land located at Waikele and Hoaeae, Ewa, Oahu, City and County of Honolulu, identified as Tax Map Key No.: 9-4-02: portion of 1 and portion of 52, from the Agricultural Land Use District to the Urban Land Use District, subject to the conditions hereinafter stated in the Order, is reasonable, conforms to the standards for establishing the urban district boundaries, is non-violative of section 205-2, HRS, and is consistent with the Hawaii State Plan as set forth in chapter 226, HRS.

ORDER

IT IS HEREBY ORDERED that the Property, being the subject of this Docket No. A92-683 by Petitioner Halekua Development Corporation, a Hawaii corporation, consisting of approximately 504.865 acres of land located at Waikele and Hoaeae, Ewa, Oahu, City and County of Honolulu, identified as Tax Map Key No.: 9-4-02: portion of 1 and portion of 52, and approximately identified on Exhibit "A" attached hereto and incorporated by reference herein, is hereby reclassified from the State Land Use Agricultural District into the State Land Use Urban District, and that the State Land Use District

Boundaries are 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 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 fund, design, and construct the local and regional transportation improvements necessitated by the proposed development, on a pro rata basis, and as determined and approved by the State Department of Transportation and the City and County of Honolulu, Department of Transportation Services, including without limitation the dedication of any rights-of-way to the State or County.

Petitioner shall also be required to provide the following:

- A. All of the other improvements needed (which will not be provided by the Village Park and Royal Kunia, Phase I projects) to make Kunia Road a 4-lane highway with auxiliary lanes for both left and right turning movements (between Kunia

Interchange and the northernmost boundary of Royal Kunia, Phase II) and a third northbound lane between Kunia Interchange and the north Kupuna Loop intersection.

- B. A report that analyzes the impact of the proposed Phase II project's traffic on the Kunia Interchange and evaluate alternatives that will mitigate the impacts.
- C. Plans for construction work within the State highway right-of-way must be submitted to DOT, Highways Division for review and approval.

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.

3. 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 and approved by the State Department of Transportation prior to implementation. The transportation manager or Petitioner shall conduct a yearly evaluation of the program's effectiveness and shall make a written report of its

evaluation available to the State Department of Transportation for program review and modification, if necessary.

4. Petitioner shall monitor the traffic attributable to the proposed Project at on-site and off-site locations and shall undertake subsequent mitigative measures that may be deemed to be required by Petitioner, the State Department of Transportation, or the City and County of Honolulu. The mitigative measures shall be coordinated with and approved by the State Department of Transportation and the City and County of Honolulu.

5. 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, Hawaii Revised Statutes, in accordance with a schedule satisfactory to the Department of Health and the City and County of Honolulu.

6. Petitioner shall make available adequate golf tee times at affordable rates for public play to State of Hawaii residents.

7. 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.

8. 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.

9. Petitioner shall participate, on a pro rata basis, in the funding for construction and installation of appropriate civil defense measures as determined by State and City civil defense agencies.

10. Petitioner shall erect a chain link fence along the eastern boundary of the Property that is common with the Waikele Branch of Naval Magazine, Lualualei.

11. Petitioner shall clear and maintain the land situated within 20 feet of the eastern boundary of the Property, free of trees and vegetation taller than eight inches high.

12. Petitioner shall coordinate with the State Department of Health and the City and County of Honolulu to establish appropriate systems to contain spills and prevent materials, such as petroleum products, chemicals, solvents or other pollutants from leaching into the storm drainage system and adversely affecting the groundwater and coastal waters.

13. Petitioner shall comply with the environmental health conditions addressed in OSP's Exhibit 2 from the State Department of Health, dated January, 1992 (Version 4), and entitled "Twelve (12) Conditions Applicable to All New Golf Course Development."

14. Petitioner shall participate in the funding and construction of adequate wastewater treatment, transmission and disposal facilities, on a pro rata basis, as determined by the State Department of Health and the City and County Department of Public Works.

15. Petitioner shall implement effective soil erosion and dust control measures both during and after construction to the satisfaction of the State Department of Health.

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

17. Petitioner shall provide notification to all owners and occupants of the Property of the potential odor, noise, and dust pollution resulting from surrounding Agricultural District lands, and 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.

18. Petitioner shall provide drainage improvements for the subject project and shall coordinate off-site

improvements with adjoining landowners and developers, and/or other Federal, State, and City agencies.

19. Should any archaeological resources such as artifacts, shell, bone or charcoal deposits, human burials, or rock or coral alignments, paving or walls of historic or prehistoric significance be encountered during the development of the Property, Petitioner shall immediately stop work on the impacted area and contact the Historic Preservation Division of the State of Hawaii Department of Land and Natural Resources.

20. Petitioner shall coordinate the development of the Project with the Department of the Navy to insure that no residential units are constructed in the Navy's blast or buffer zone within the Property.

21. Petitioner shall obtain Development Plan approvals from the City and County of Honolulu within five (5) years from the date of this Order.

22. Petitioner shall convey the agricultural park to the State of Hawaii, and provide off-site infrastructure to the agricultural park, pursuant to the terms of the Memorandum of Understanding dated March 30, 1993 entered into by Petitioner and the Department of Agriculture.

23. Petitioner shall develop the Property in substantial compliance with the representations made to the Commission. Petitioner's or its successor's failure to so develop the Property may result in reversion of the Property to

its former classification, or change to a more appropriate classification.

24. In reliance upon Petitioner's representation that it will develop the Project on his own and in its entirety, the Petitioner shall obtain the prior approval from the Land Use Commission before it can sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interest in the Property or Project covered by the approved Petition.

Petitioner shall request the prior approval from the Land Use Commission to alter the ownership interest in the Property or Project by filing a motion to request approval to alter ownership interest and supporting affidavits that will provide relevant information, including without limitation (1) the name(s) and address(es) of the prospective owner(s) or real party(ies) in interest; (2) the reason for the alteration of ownership interest; (3) any information related to any proposed change in the representations made by Petitioner to the Commission and in its Petition filed pursuant to section 15-15-50, Hawaii Administrative Rules, including without limitation any information pertaining to the financial capabilities of the prospective owner(s) to proceed with the Project as set forth in section 15-15-50(8); and, (4) a written acknowledgement and affirmation of the prospective owner(s) that the prospective owner(s) shall comply with all of the conditions in this Order.

25. 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. The annual reports shall summarize: (1) Petitioner's progress in complying with the conditions imposed; and (2) changes to the Project as represented to the Land Use Commission. The annual report shall also include a written statement from each state and county agency affected by these conditions that Petitioner's representations in the annual report related to the respective state or county agency being affected is true and accurate.

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

Adequate assurance of satisfaction may be evidenced by execution of a certificate of satisfaction in recordable form stating that such condition has been satisfied, in whole or in part. The Office of State Planning will certify for itself and all state departments and agencies, and the City and County of Honolulu Planning Department will certify for itself and all county departments and agencies. Any other party to the boundary amendment proceeding may be asked to indicate whether they concur in the certification of satisfaction.

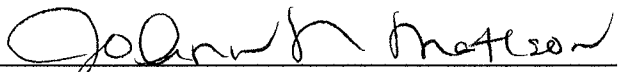
27. Within 7 days of the issuance of the Commission's Decision and Order for the subject reclassification, Petitioner shall (1) record with the Bureau of Conveyances a statement to the effect that the Property is subject to conditions imposed by the Land Use Commission in the reclassification of the Property; and (2) shall file a copy of such recorded statement with the Commission.

28. Petitioner shall record the conditions imposed by the Commission with the Bureau of Conveyances pursuant to Section 15-15-92, Hawaii Administrative Rules.

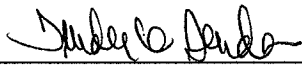
DOCKET NO. A92-683 - HALEKUA DEVELOPMENT CORPORATION

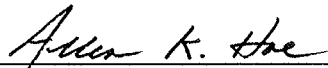
Done at Honolulu, Hawaii, this 9th day of December 1993,
per motion on December 2, 1993.

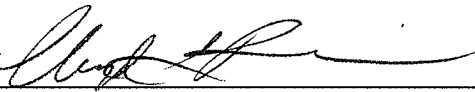
LAND USE COMMISSION
STATE OF HAWAII

By 
JOANN N. MATTSON
Chairperson and Commissioner

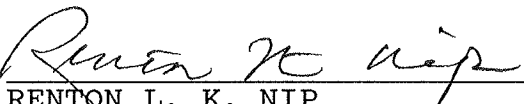
By (absent)
KAREN S. AHN
Vice Chairperson and Commissioner

By 
TRUDY K. SENDA
Vice Chairperson and Commissioner

By 
ALLEN K. HOE
Commissioner

By 
LLOYD F. KAWAKAMI
Commissioner

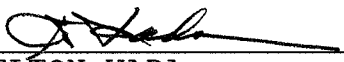
By (absent)
EUSEBIO LAPENIA, JR.
Commissioner

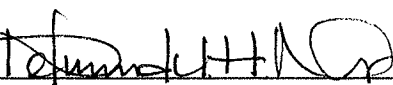
By 
RENTON L. K. NIP
Commissioner

Filed and effective on
December 9, 1993

Certified by:


Executive Officer

By 
ELTON WADA
Commissioner

By 
DELMOND J. H. WON
Commissioner



APPROVED AREA

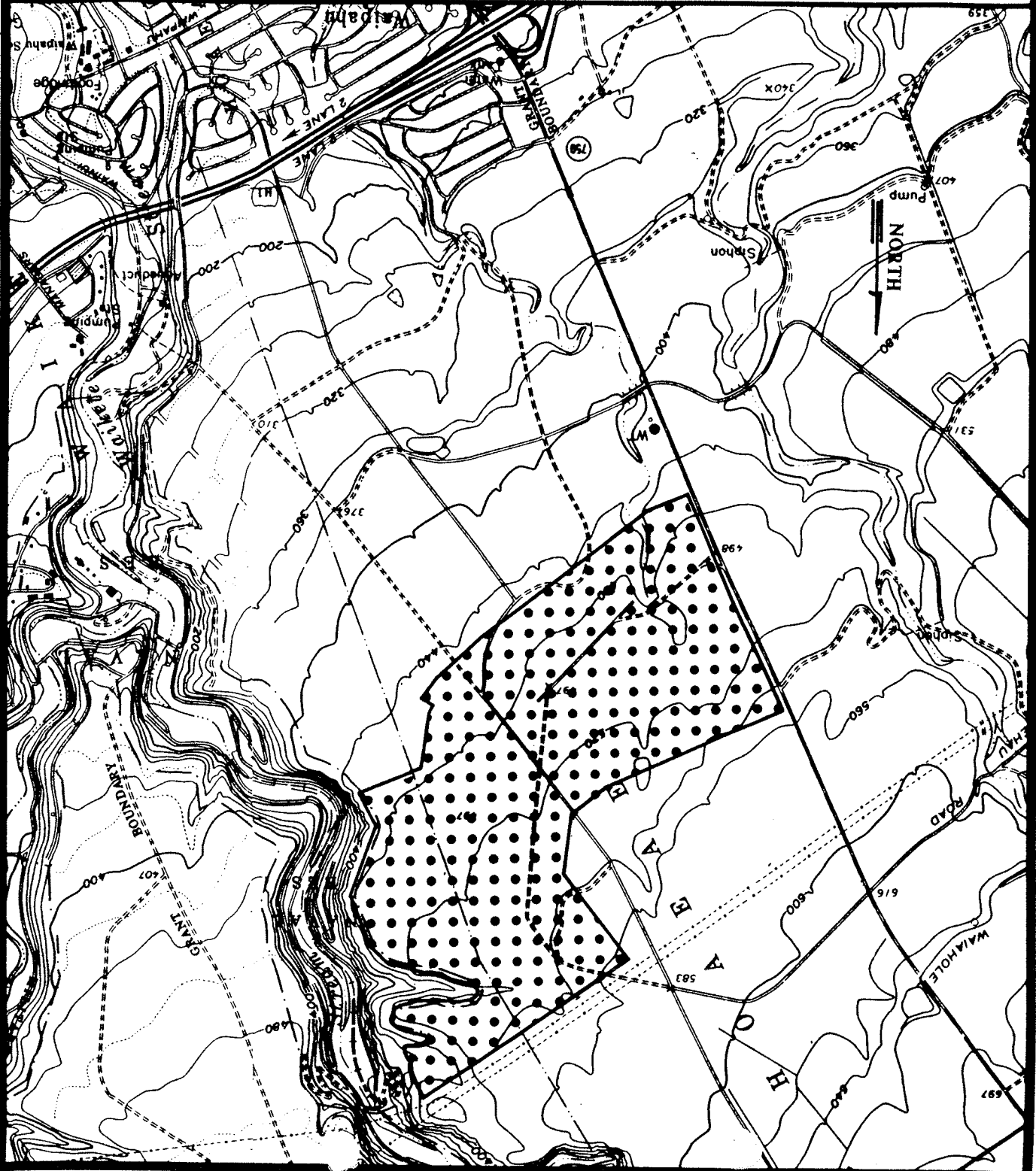
SCALE: 1" = 2,000 ft. ±

HOAEAE - WAIKELE, EWA, OAHU, HAWAII

TAX MAP KEY: 9 - 4 - 02: por. 01, & por. 52

LOCATION MAP

DOCKET NO. A92 - 683 / HALEKUA DEVELOPMENT CORPORATION, a Hawaii Corporation



BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)	DOCKET NO. A92-683
HALEKUA DEVELOPMENT CORPORATION,)	
a Hawaii corporation)	CERTIFICATE OF SERVICE
)	
To Amend the Agricultural Land Use)	
District Boundary into the Urban)	
Land Use District for Approximately)	
504.865 Acres, at Waikele and)	
Hoaeae, Ewa, Oahu, City and County)	
of Honolulu, Hawaii, Tax Map Key)	
No.: 9-4-02: Portion of 1 and)	
Portion of 52)	
_____)	

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:

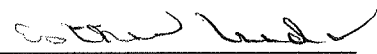
HAROLD S. MASUMOTO, Director
Office of State Planning
P. O. Box 3540
Honolulu, Hawaii 96811-3540

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

CERT. JAN N. SULLIVAN, ESQ., Attorney for Petitioner
 Takeyama & Sullivan
 1188 Bishop Street, Suite 1411
 Honolulu, Hawaii 96813

CERT. ALBERT CHEE
 Halekua Development Corporation
 2024 North King Street
 Honolulu, Hawaii 96819

DATED: Honolulu, Hawaii, this 9th day of December 1993.



ESTHER UEDA
Executive Officer