

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

| | | |
|-------------------------------------|---|------------------------|
| In the Matter of the Petition of |) | DOCKET NO. A87-613 |
| |) | |
| THE TRUSTEES UNDER THE WILL AND |) | THE TRUSTEES UNDER THE |
| OF THE ESTATE OF JAMES CAMPBELL, |) | WILL AND OF THE ESTATE |
| DECEASED |) | OF JAMES CAMPBELL, |
| |) | DECEASED |
| To Amend the Agricultural Land Use |) | |
| District Boundary into Urban Land |) | |
| Use District for Approximately |) | |
| 813.02 acres of land at Honouliuli, |) | |
| Ewa, Island of Oahu, State of |) | |
| Hawaii, Tax Map Key Numbers: |) | |
| 9-1-15: Portion of 4; 9-1-16: |) | |
| Portion of 1, Portion of 4, 5, 6, |) | |
| Portion of 9, 12, 13, Portion of |) | |
| 16, 18, Portion of 24, 30; 9-2-03: |) | |
| Portion of 2, 12; and 9-2-19: |) | |
| Portion of 1 |) | |
| _____ |) | |

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LAND USE COMMISSION
HONOLULU, HAWAII

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

1, Portion of 4, 5, 6, Portion of 9, 12, 13, Portion of 16, 18, Portion of 24, 30; 9-2-03: Portion of 2, 12; and 9-2-19: Portion of 1, (hereinafter "Property") from the Agricultural District to the Urban District to develop the Kapolei Town Center.

On September 23, 1988 the Land Use Commission ("Commission") issued its Findings of Fact, Conclusions of Law and Decision and Order ("Decision and Order").

On January 10, 1989, Petitioner moved to amend the Decision and Order by deleting approximately 76.98 acres of land subject to the incremental districting provisions of said Decision and Order.

On January 26, 1989, the Commission considered Petitioner's Motion To Amend.

On March 3, 1989, Petitioner filed a Motion For Second Amendment to the Decision and Order to reconfigure Increment I involving the exchange of approximately 8.5 acres between Increment I and the Subsequent Increments and leaving the net acreage between Increment I and the Subsequent Increments intact. On March 22, 1989, and on April 14, 1989, the Commission considered Petitioner's Motion For Second Amendment.

The Land Use Commission having heard and examined the testimony and evidence presented during the hearings, the parties' proposed findings of fact, conclusions of law and decision and order, and having considered Petitioner's Motion For Second Amendment To Findings of Fact, Conclusions of Law

and Decision and Order and good cause appearing therefrom, hereby makes the following second amended findings of fact:

SECOND AMENDED FINDINGS OF FACT

PROCEDURAL MATTERS

1. The Commission conducted hearings on the Petition on September 29, 1987, September 30, 1987, November 16, 1987, November 17, 1987, December 17, 1987, December 18, 1987, January 5, 1988, January 19, 1988, February 9, 1988, and May 24, 1988, pursuant to notice published on August 14, 1987 in the Honolulu Star Bulletin, a newspaper of general circulation.

2. The Commission allowed Captain Walter D. West, III to testify as a public witness on November 16, 1987 and John L. Busekrus to testify as a public witness on November 17, 1987. The Commission also admitted into evidence as written submissions from the public, the written testimonies of Elizabeth Ann Stone (letter dated November 14, 1987 and December 15, 1987), Captain R.M. Gallen, Jane A. Ross, Captain T.L. Ferrier, Sharlyn Palacio and Captain K.S. Webster.

3. The Commission did not receive any petition to intervene in the proceeding.

4. Certain Findings of Fact, Conclusions of Law and Decision and Order were entered and certified on September 23, 1988 reclassifying approximately 135 acres to Urban and approving approximately 755 acres for incremental redistricting.

5. On January 10, 1989, Petitioner filed Motion to Amend Findings of Fact, Conclusions of Law and Decision and

Order to delete approximately 76.98 agricultural acres from the scope of the Decision and Order of September 23, 1988.

Included in said motion was Petitioner's proposed Exhibit SS, a revised survey map of the Property, which Petitioner requested to be added to Petitioner's exhibit list and to the record of this proceeding. The basis for Petitioner's request was that the 76.98 acres were the subject of an independent application filed with the Commission and designated as Docket No. A88-628 ("Kapolei Knolls").

6. At its January 26, 1989 meeting, the Commission approved Petitioner's Motion to Amend the September 23, 1988 Decision and Order.

7. On March 3, 1989, Petitioner filed Motion For Second Amendment To The Findings of Fact, Conclusions of Law and Decision and Order to reconfigure Increment I involving the exchange of approximately 8.5 acres between Increment I and the Subsequent Increments. Petitioner represented that the net acreage (135 acres for Increment I, and 678.02 acres for the Subsequent Increments) will remain intact. Included in said Motion For Second Amendment was Petitioner's proposed Exhibit TT, a revised survey map of the Property to be added to Petitioner's exhibit list and to the record of this proceeding. The basis for Petitioner's request is to reconfigure the proposed park boundaries for purposes indicated in Petitioner's Memorandum In Support Of Motion For Second

Amendment to Findings of Fact, Conclusions of Law and Decision and Order filed on March 3, 1989.

8. The Office of State Planning, State of Hawaii, joined in the Motion For Second Amendment and the Department of General Planning, City and County of Honolulu, had no objections to Petitioner's Motion For Second Amendment.

9. At its April 14, 1989 meeting, the Commission considered and granted Petitioner's Motion For Second Amendment.

DESCRIPTION OF THE PROPERTY

10. The Property consists of approximately 813.02 acres of land divided into a 135-acre first increment and the balance as future or subsequent increments. The Property is located on the Ewa Plain on the southwest portion of the Island of Oahu, mauka of the U.S. Navy Air Station Barbers Point ("NASBP"), makai of the existing Makakilo City, west of NASBP access road and east of Ko Olina Resort.

11. The Property also surrounds a 29.543-acre triangular parcel which was reclassified to the Urban District by the Commission under Docket No. A84-582/The Trustees Under the Will and of the Estate of James Campbell, Deceased, for the development of a community shopping center.

12. The Property is owned by Petitioner. Portions are currently leased to the Oahu Sugar Company, Ltd. ("OSC") for sugarcane production until 1995. Said lease allows for partial withdrawal of lands for urbanization.

13. The Property is located on a relatively level coralline/alluvial plain, and has a variety of soil types including coral deposits in the flat lands, silty clays, and stony steep lands. In general, soil types within the Property include dark red-brown to dark brown silty clays and dark grayish-brown clays (alluvial and residual). Coral, consolidated and unconsolidated marine deposits occur on lower-elevation flat lands and coastal areas.

14. Soil types found on the first increment of the Property are as follows:

Ewa silty clay loam, 3 to 6 percent slopes, EaB, on alluvial fans and terraces. In a representative profile, the surface layer is dark reddish-brown silty clay loam about 18 inches thick. The sub-soil, about 42 inches thick, is dark reddish-brown and dark-red silty clay loam that has subangular blocky structure. The substratum is coral limestone, sand, or gravelly alluvium. The soil is neutral in the surface layer and subsoil. Permeability is moderate, runoff is slow, and the erosion hazard is slight. The U.S. Soil Conservation Service (SCS) rating for this soil type is II when irrigated and IV when non-irrigated.

Ewa silty clay loam with 0 to 2% slopes, EmA. Runoff is very slow, and the erosion hazard is no more than slight. The SCS rating for this soil type is II for irrigated and IV for non-irrigated.

Honouliuli clay, 0 to 2 percent slopes, HxA. This soil occurs in the lowlands along the coastal plains. In a representative profile, the soil is dark reddish-brown, very sticky and very plastic clay throughout. The surface layers are about 15 inches thick. The subsoil and substratum have subangular blocky structure, and they have common to many slickensides. The soil is neutral to mildly alkaline. Permeability is moderately slow. Runoff is slow, and the erosion hazard is no more than slight. The SCS rating for this soil type is I when irrigated and IV when non-irrigated.

Mamala stony silty clay loam with a slope of 0 to 12%, MnC. This soil type occurs along the coastal plains of Oahu. They are formed of alluvial deposits over coral limestone and consolidated calcareous sand. Permeability is moderate. Runoff is very slow to medium, and the erosion hazard is slight to moderate. The SCS rating for this soil type is III when irrigated and VI when non-irrigated.

Waialua silty clay, 0 to 3 percent slopes, WkA. This soil is found on smooth coastal plains. Permeability is moderate. Runoff is slow, and the erosion hazard is no more than slight. The SCS rating for this soil type I when irrigated and IIIc when non-irrigated.

Waialua stony silty clay, 3 to 8 percent slopes, WIB. This soil has a profile like that of Waialua silty clay, 0 to 3 percent slopes. Runoff is slow, and the erosion hazard is

slight. The SCS rating for this soil type is IIIe when irrigated, and IIIs when non-irrigated.

15. The State Department of Agriculture (DOA) indicated that under the Land Study Bureau's classification system, the soil of the Property is designated approximately 32 percent as Class A, 38 percent as Class B, 13 percent as Class C, 1 percent as Class D and 3 percent as Class E.

16. Under the DOA's Agricultural Lands of Importance to the State of Hawaii classification system (ALISH), 50 percent of the Property is classified "prime land", 33 percent is classified "other important lands" and 17 percent is unclassified. There are no "unique lands".

17. The Property and surrounding areas are gently sloping with average slopes ranging between zero and three percent. Ground elevations within the Property range from 50 feet above mean sea level near the southern boundary to 492 feet above mean sea level at Puu Palailai at the Property's northern boundary.

18. The Property is currently under sugarcane cultivation containing cane haul roads, furrow irrigation ditches and other appurtenant structures.

19. The climate of the Property and surrounding area is dry and the average temperatures range from 69 degrees to 91 degrees Fahrenheit.

20. The Property and the Ewa Plain experiences approximately 20 inches of rain annually.

21. The Flood Insurance Study for the City and County of Honolulu conducted by the Federal Insurance Administration indicates that the Property is designated in Zone D, or an area of undetermined but possible flood hazards.

DESCRIPTION OF PROPOSED DEVELOPMENT

22. Petitioner proposes to develop the Property for commercial facilities, business parks, public facilities, parks, residential and mixed uses. The proposed development is to be known as the Kapolei Town Center. The first increment of development will consist of 135 acres. The remaining balance of the Property, consisting of 678.02 acres is proposed for future development.

23. The first increment (hereinafter "Increment I") is identified as Tax Map Key Number: 9-1-16:portion of 1 and portion of 24. Increment I is approximately bounded by Waimanalo Road on the south, NASBP Access Road to the east, the future Kapolei Shopping Center to the north and Kalaeloa Boulevard to the west.

24. The remaining balance of the Property (hereinafter "Subsequent Increments") is identified as Tax Map Key Numbers: 9-1-15:portion of 4; 9-1-16:portion of 1, portion of 4, 5, 6, portion of 9, 12, 13, portion of 16, 18, portion of 24, 30; 9-2-03:portion of 2, 12; and 9-2-19:portion of 1.

25. The boundaries of the Subsequent Increments are generally formed by Naval Air Station Barbers Point (NASBP) on

the south, NASBP Access Road to the east, Waimanalo Road and Puu Kapolei to the north, Kalaeloa Boulevard and Puu Palailai to the west.

26. The proposed Kapolei Town Center is part of Petitioner's Long Range Master Plan for the Ewa region (Long Range Plan). The Long Range Plan envisions the development of a secondary urban center for Oahu on the Ewa Plain. Petitioner proposes Kapolei Town Center to be the urban hub of Ewa to include a planned, integrated urban environment offering a full complement of office and commercial space, government services and public facilities.

27. Petitioner's proposed major land uses and area allocations are summarized as follows:

LAND USE SUMMARY

| <u>Land Use</u> | <u>Size (Acres)</u> | <u>Increment I</u> | |
|------------------------------------|-------------------------|----------------------------|------------------------------|
| | | <u>Percent of area</u> | <u>Sq. Ft. (1,000's)</u> |
| Office | 34.2 | 25.3 | 573 |
| Commercial | 32.3 | 23.9 | 450 |
| Public Facility | 19.5 | 14.4 | 365 |
| Business Park/ Light Industrial | 9.5 | 7.1 | 288 |
| Residential | -- | 0 | -- |
| Mixed Use | -- | 0 | -- |
| Park | -- | 0 | -- |
| Circulation/Open Space | 39.5 | 29.3 | |
| TOTAL | <u>135.0</u> | <u>100.0</u> | <u>1,676</u> |

| <u>Land Use</u> | <u>Property</u> | | | <u>Dwelling Units</u> |
|------------------------------------|---------------------|------------------------|--------------------------|-----------------------|
| | <u>Size (Acres)</u> | <u>Percent of area</u> | <u>Sq. Ft. (1,000's)</u> | |
| Office | 101 | 12 | 2,009 | |
| Commercial | 114 | 14 | 1,034 | |
| Public Facility | 51 | 6 | 860 | |
| Business Park/ Light Industrial | 23 | 3 | 333 | |
| Residential | 151 | 19 | | 1,485 |
| Mixed Use | 73 | 9 | | 460 |
| Park | 173 | 21 | | |
| Circulation/Open Space | 127 | 16 | | |
| TOTAL | 813 | 100 | 4,236 | 1,945 |

Office Use: Petitioner will provide regional office space and local office space mainly in office designated areas. Petitioner also anticipates providing "mixed use" and commercial areas.

Business Park Use: Petitioner proposes one or more landscaped business parks that will contain a mixture of light industrial activities, including high technology and research and development, within low-rise buildings. These business parks will provide operating space for a wide range of businesses and will serve as the major employment areas for Kapolei Town Center.

Government/Civic Use: Petitioner proposes that the Property will include federal, state and county government offices and service facilities, including administrative office, police and fire facilities, a library and other facilities providing government supported local and regional services.

Other Public Land Uses: Petitioner proposes a district park in the Subsequent Increments to be located south and adjacent to Increment I.

Commercial: Petitioner proposes a full range of commercial facilities, primarily retail in nature, such as a community shopping center, a regional mall, a discount center and an auto sales center, which are to be developed at various locations within the Property.

Infrastructure: Petitioner will develop roadways, sewer and water lines, and utility transmission to support Kapolei Town Center.

Housing: Although no housing is currently planned for Increment I, Petitioner designates approximately 151 acres of the Property for approximately 1,485 dwelling units as shown on the Ewa Long Range Master Plan dated January 1988.

28. Petitioner proposes that the initial phase of development will begin shortly with a retail/commercial village (Kapolei Shopping Center) located west and makai of the Makakilo Interchange. This area has been designated Commercial on the City and County of Honolulu (City) Ewa Development Plan Land Use Map and has recently received commercial zoning from the City. The next phase will be the development of Increment I in accordance with market demands. Increment I will probably start at the western end adjacent to Kalaeloa Boulevard, the

Barbers Point Deep Draft Harbor and the James Campbell Industrial Park. Other development will occur adjacent to the proposed Kapolei Shopping Center.

Future increments of the Kapolei Town Center will gradually expand south toward the NASBP, north to the Makakilo foothills, and east above the proposed Kapolei Village site, and in step with infrastructure development and prevailing market conditions.

29. Petitioner estimates major off-site improvements and on-site costs including site clearing, drainage, landscaping, roadways, sewers, water, electrical, telephone, street lighting and cable television, in 1986 dollars, to be approximately \$39,000,000.

PETITIONER'S FINANCIAL CAPABILITY TO UNDERTAKE THE PROPOSED DEVELOPMENT

30. Petitioner's Statements of Assets, Liabilities, Undistributed Income and Principal as of December 31, 1986, lists assets of \$135,317,292; total liabilities of \$43,519,605, joint venture investment basis of \$3,057,704, undistributed income of \$1,400,075 and principal of \$87,339,908.

31. In addressing a concern raised by the State Department of Business and Economic Development that Petitioner may not have the financial capability to finance the infrastructure for Increment I, Petitioner stated that should Petitioner require loan(s) to finance the infrastructure for the proposed Kapolei Town Center, Petitioner may be required to

repay said loans by the year 2007 because the Estate of James Campbell Trust will terminate in the year 2007.

Petitioner intends to make mortgage payments as long as possible for a term greater than 20 years and has petitioned the Probate Court to be given the right to repay said loans beyond the termination date of 2007. The Probate Court has not made a decision on the petition at this time.

32. Petitioner anticipates that, if the Probate Court does not allow Petitioner's mortgage term to exceed 2007, it can repay loans by the termination date of its trust with existing assets or it can finance the proposed development with a joint developer.

In any event, Petitioner's chief executive officer, Oswald Stender, represented that Petitioner has the financial capability to make the infrastructure improvements required for Increment I.

STATE AND COUNTY PLANS AND PROGRAMS

33. The Property is designated within the State Land Use Agricultural District as reflected on the Commission's Official Map O-6, Ewa.

34. The City and County of Honolulu General Plan, as amended, encourages the development of a secondary urban center in the West Beach-Makakilo area to relieve developmental pressures in the urban-finge and rural areas.

35. The Property is zoned by the City and County of Honolulu as AG-1 Restricted Agriculture or AG-2 General Agriculture.

36. The Property is not located within the City Special Management Area.

NEED FOR THE PROPOSED DEVELOPMENT

37. Petitioner's market analyst, Kenneth Leventhal & Company (KLC), prepared a market analysis for the proposed project. The market study considered employment, housing and population projections for the Ewa Town Center, including the Property and the proposed Kapolei Village affordable housing project east of the Property. Existing developments and the proposed Ko Olina Resort, Ewa Marina and Ewa Plantation were also included in the market projections.

38. KLC's projections for population, employment, housing and hotel units for the Ewa Town Center and other areas in Ewa for 1985 to the year 2005 were based on the State Department of Planning and Economic Development's (DPED) Oahu Population and Employment Projections prepared in July, 1984. KLC subsequently derived the projections for specific land uses and absorption demand from DPED's population projections as distributed to the Ewa area by the County's General Plan. The following tables summarize projections of demand for the Ewa Town Center:

RANGE OF PROJECTIONS FOR POPULATION, HOUSING UNITS,
EMPLOYEE & HOTEL/MOTEL ROOMS FOR EWA TOWN CENTER
(INCLUDES THE PROPERTY AND KAPOLEI VILLAGE)
1985-2005

| | <u>1985</u> | <u>1986-</u> <u>1990</u> | <u>1991-</u> <u>1995</u> | <u>1996-</u> <u>2000</u> | <u>2001-</u> <u>2005</u> | <u>TOTALS</u> <u>AS OF</u> <u>2005</u> |
|--------------------------------------------------------------------|-------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------------------------|
| <u>ADDITIONAL</u> <u>POPULATION</u> | 0 | 0- 866 | 1,265- 4,159 | 2,230- 4,330 | 2,288- 4,330 | 5,782- 13,685 |
| Ewa Cumulative Totals ¹ | 31,405 | 33,514- 46,647 | 38,105- 72,065 | 44,302- 92,071 | 50,732- 99,452 | -- |
| <u>DEMAND FOR</u> <u>ADDITIONAL</u> <u>HOUSING UNITS</u> | 0 | 0- 300 | 435- 1,400 | 755- 1,500 | 775- 1,500 | 1,965- 4,740 |
| Ewa Cumulative Totals ¹ | 8,216 | 8,846- 13,062 | 10,746- 21,428 | 13,401- 29,659 | 16,201- 33,850 | -- |
| <u>ADDITIONAL</u> <u>EMPLOYMENT</u> | 0 | 3,327- 5,176 | 1,361- 5,100 | 2,147- 4,991 | 2,447- 4,106 | 9,282- 19,373 |
| Ewa Cumulative Totals ¹ | 4,400 | 9,732- 12,115 | 14,272- 21,863 | 18,567- 28,742 | 21,992- 34,315 | -- |
| <u>DEMAND FOR</u> <u>ADDITIONAL</u> <u>HOTEL/MOTEL ROOMS</u> | 0 | 0 | 0 | 0 | 0-100 | 0-100 |
| Ewa Cumulative Totals ¹ | 0 | 0- 500 | 2,800- 4,000 | 2,800- 5,200 | 2,800- 5,300 | -- |

¹Ewa Cumulative Totals projections include the Property, Kapolei Village and other projects in Ewa such as Ko Olina Resort, Ewa Marina and Ewa Plantation.

Source: Kenneth Leventhal & Company, March 1986, PROJECTIONS OF FUTURE EMPLOYMENT, POPULATION AND LAND USE FOR THE EWA TOWN CENTER, (Petitioner's Exhibit Y)

PROJECTED DEMAND FOR LAND USES
FOR EWA TOWN CENTER
(INCLUDES THE PROPERTY AND KAPOLEI VILLAGE)
1985-2005

| | <u>1985</u> | <u>1986- 1990</u> | <u>1991- 1995</u> | <u>1996- 2000</u> | <u>2001- 2005</u> | <u>TOTALS AS OF 2005</u> |
|-----------------------------------------------|-------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------------|
| Residential (Acres) | 0.0 | 7.3- 51.5 | 51.8- 141.1 | 81.9- 141.1 | 65.6- 112.9 | 206.6- 446.6 |
| Ewa Business Park Bldg. Sq. Footage | 0 | 92,340- 226,364 | 177,108- 587,337 | 338,230- 637,148 | 383,653- 630,744 | 991,381- 2,081,593 |
| Saleable Acres | 0.0 | 7.1- 16.8 | 12.7- 41.8 | 24.3- 45.9 | 27.7- 46.1 | 71.8- 150.5 |
| Commercial Development Bldg. Sq. Footage | 0 | 719,905- 961,596 | 110,493- 507,196 | 149,780- 418,616 | 154,438- 227,162 | 134,616- 2,114,570 |
| Saleable Acres | 0.0 | 63.7- 84.9 | 9.8- 44.7 | 13.3- 37.0 | 13.7- 18.3 | 100.5- 184.9 |
| Civic Center Development Bldg. Sq. Footage | 0 | 0- 40,000 | 40,000- 110,000 | 40,000- 130,000 | 60,000- 150,000 | 140,000- 430,000 |
| Saleable Acres | 0.0 | 4.7- 9.5 | 3.7- 11.9 | 4.0- 12.7 | 5.5- 12.6 | 17.9- 46.7 |
| Other Public Uses Bldg. Sq. Footage | 0 | 0 | 0 | 0 | 0 | 0 |
| Saleable Acres | 0.0 | 89.9- 160.4 | 41.2- 181.4 | 65.7- 161.7 | 67.7- 110.3 | 264.5- 613.7 |

Source: Kenneth Leventhal & Company, March 1986, PROJECTIONS OF FUTURE EMPLOYMENT, POPULATION AND LAND USE FOR THE EWA TOWN CENTER, (Petitioner's Exhibit Y)

39. Petitioner's market study highlighted the mid-range projections and summarized the important elements of the development of the Ewa Town Center as follows:

a) Total Ewa area population by the year 2005 is projected to be about 63,000, an increase of about 30,000 over the 1985 Ewa area population, with Ewa Town Center (ETC) accounting for 9,000 residents.

b) Most of the housing units projected for development in Ewa Town Center are planned to be affordable units.

c) Present Ewa area civilian employment is approximately 4,400, and is projected to increase by about 22,000 to 30,000 employees by 2005. Ewa Town Center is planned to be the primary employment location in Ewa, and ETC accordingly provides about 17,000 of the 22,000 increase in employment. The other significant generators of Ewa employment growth are Ko Olina and James Campbell Industrial Park.

d) By the year 2005, the employment/population ratio for Ewa is projected to be about 42 percent. This represents balance between jobs and residents in Ewa, and is close to the projected Oahu ratio of 47 percent. The 42 percent ratio indicates that Ewa residents will probably generate only a limited number of peak hour commute trips into Honolulu.

e) The projections indicate absorption of over three million square feet of building space in Ewa Town Center

by 2005, with the Ewa business parks and ETC commercial uses each absorbing about 1.4 million square feet. The estimated mid-range commercial absorption of 740,000 square feet for the 1986-1990 period is to a large extent demand for community-level commercial uses by the present Ewa area population.

As commercial centers are developed in Ewa Town Center over the next 5-10 years, Ewa residents will progressively shift to ETC commercial centers for their shopping needs.

f) Approximately 930 net acres of land area are projected to be absorbed in Ewa Town Center by the year 2005. Net acres means land directly used for public and private uses, and do not include land used by streets, drainage, utility easements, etc., or land used by college campuses. It is estimated that there could be a gross ETC absorption of some 1,100-1,200 acres by 2005.

40. Petitioner states that affordable housing within the Ewa Town Center is of critical importance to the success of the proposed Kapolei Town Center. The State's proposed Kapolei Village will be located adjacent to the Property and will provide affordable housing opportunities to employees within the Kapolei Town Center.

41. Petitioner indicates that if the State is not able to develop the proposed Kapolei Village, Petitioner will make arrangements with developers to see that affordable

housing is developed to assure the success of Kapolei Town Center.

42. Petitioner did not present any prices for the proposed land uses on the Property. However, in order to attract businesses to locate on the Property, KLC stated that land prices must be one-quarter to one-third lower than the prices of land for urbanized areas.

43. Petitioner did not prepare an economic feasibility report. However, KLC indicated that this type of development on the U.S. Mainland has had severe financial difficulties during startup. KLC indicated a negative cash flow for the first ten years of development is anticipated and a positive cash flow is anticipated thereafter.

IMPACT UPON RESOURCES OF THE AREA

Air Installations Compatible Use Zone (AICUZ)

44. The U.S. Department of the Navy (Navy) has prepared an Air Installations Compatible Use Zone (AICUZ) Study (1984) for NASBP. The NASBP AICUZ identifies significant noise contours and Accident Potential Zones (APZ) for areas under aircraft flight paths which have a higher than normal potential for aircraft accidents. Petitioner states the Property is well outside of the current APZ.

45. By letter to Petitioner dated September 24, 1987 (Petitioner's Exhibit AA), the Navy indicated the 1984 NASBP AICUZ was being updated and that the projected 65 Ldn

(day-night) noise contour over the Property is no longer supported. The Navy further indicated that the APZ as published in the 1984 study will not change and is valid for planning purposes.

46. According to Petitioner, three noise studies have been prepared: 1) the Navy's 1984 AICUZ and ongoing update, 2) Petitioner's study of ambient noise, which included traffic as a source of noise, prepared for the Property on October, 1986, and 3) the State of Hawaii Housing Authority/City and County of Honolulu Department of Housing and Community Development analysis of the Navy and Petitioner's noise studies for the proposed Kapolei Village prepared in December, 1986.

The studies reflect no consensus as to the actual or projected noise impact that NASBP would have on the Property. Apparently the studies utilized different standards or procedures which resulted in increased or decreased apparent or projected noise impact. In addition, various assumptions are made on aircraft operations which are not utilized consistently. The potential for greater noise impacts is probable in the event military operations at NASBP increase.

47. The Navy testified that: ". . . an AICUZ is subject to change as the needs of the Navy and the national defense require. Any aircraft in the Navy's inventory may, at some point in time, utilize NAS Barbers Point. Given the uncertain and volatile nature of international security

affairs, no one can guarantee this Commission that the current state of operations and aircraft mix at Barbers Point will not be significantly altered in the future. Approving intense development, as proposed by the petitioner, would lay a foundation for future noise-related conflicts between the station and its neighbors. If the station is assigned new aircraft or new mission requirements, the Navy would then face the "no-win" alternative of compromising the station's mission or imposing greater noise and safety burdens on the community."

". . . Experience has taught us that intensive development near an air station results in a loss of flexibility for Navy operations that is not in the best interests of the nation, the State or the local community. NAS Barbers Point has a significant national security mission which is simply too important to be curtailed."

48. The Navy recommended that the Petitioner include a disclosure statement informing prospective purchasers/lessees that the area will be subject to noise from military aircraft overflights.

Other Noise Impacts

49. Petitioner's noise study also identified traffic corridors that will contribute to greater noise impacts when the Property and surrounding areas are developed: Kalaeloa Boulevard, H-1 Freeway, NASBP Access Road and Farrington Highway.

a) Kalaeloa Boulevard and H-1 Freeway

The noise study indicated noise levels are considered "unacceptable" for residential development along a 100-foot wide strip on each side of Kalaeloa Boulevard and H-1 Freeway. In addition, noise levels are considered "normally unacceptable" for residential development within 400-feet of roadway centerline. These areas are proposed for light industrial uses within the Kapolei Town Center but may be used for residential purposes if mitigative measures are incorporated into the building design.

b) NASBP Access Road

Areas within 50 feet of the NASBP Access Road centerline are considered "unacceptable" for residential purposes. Residences that may situate between 50 and 200 feet off of centerline are considered "normally unacceptable" and must be shielded from roadway noise via a barrier wall or through acoustical treatments to reduce residential interior noise to acceptable levels.

c) Farrington Highway

Noise levels along Farrington Highway west of the NASBP Access Road (50 feet to 200 feet from the centerline of the roadway) fall within the "normally unacceptable" range for residential structures. If residences are built in this area, they would require the same treatments as discussed above for residences fronting the NASBP Access Road (i.e., shielding via

a barrier wall or through acoustical treatments to reduce residential interior noise levels).

50. Petitioner indicates other potential noise sources that may affect the Property. These include: (1) Palailai Landfill operations; (2) internal land uses; and, (3) construction activities.

The State Department of Health's letter dated August 11, 1987, to the Department of Business and Economic Development stated that industrial activities, agricultural activities, traffic and aircraft noise would result in adverse noise impacts on proposed residents of the project.

Agricultural Resources

51. Petitioner states that a long term impact of the proposed withdrawal of 813.02 acres of agricultural land is the loss of important agricultural lands and the impact on the profitability of Oahu Sugar Company.

52. Petitioner's proposal to withdraw Increment I from production will impact about 135-acres of currently cultivated sugarcane lands. Petitioner represents the proposed withdrawal is based on a demonstrated need for housing, employment, economic development or public facilities which overrides the need to retain Increment I in a State Land Use Agricultural District designation.

53. Waimanalo road, a cane haul access which serves fields on the Property and the surrounding area, traverses the

Property and forms the southern boundary of Increment I. Petitioner states the development of Increment I will not impede the continued agricultural use of Waimanalo Road.

54. Petitioner's agricultural consultant, Jack Larsen, prepared a report evaluating the impact of a phased withdrawal of about 700 acres on the profitability of the Oahu Sugar Company.

The report indicates that Oahu Sugar Company (OSC) currently manages approximately 14,200 acres of plantation lands which cover portions of Central Oahu on each side of Kunia Road above Pearl Harbor, and portions of the Ewa Plain to the west of Pearl Harbor. In order to process harvested cane, OSC currently operates two sugar mill trains in tandem at their Waipahu processing facility.

55. Larsen's report examined five major continuing profitability factors of OSC as follows:

- a) Sugar production in Hawaii will depend upon the continued protection of the U.S. sugar industry by the U.S. Congress.
- b) It is very likely that profitable OSC operations will require about 100,000 tons of sugar annually in a double mill train system and 80,000 tons with a single mill train.
- c) Operating cost reductions and yield increases will continue to be the primary objective of OSC management.

- d) Long-term crop land withdrawals for urban use remain compatible with profitable sugar operations at OSC.
- e) No alternative crop prospects were found that are economically feasible sugar crop replacements at OSC.

56. Petitioner indicates that a ten-year summary of Hawaii Sugar Planters Association data on the sugar industry shows that OSC has averaged 100,000 tons annually with a range of 91,800 to 114,300 tons.

In addition, OSC has increased average plantation yields from 11.0 tons per acre (TPA) in 1977 to the current 14.87 TPA. Petitioner speculates that if plantation projections attain 16 and 17 TPA, then total plantation requirements will drop to under 12,000 acres while continuing to operate at 100,000 tons annually.

57. Petitioner referenced a report in the Village Park Expansion Environmental Impact Statement dated July 1986 entitled Proposed Village Park Expansion: Impact on Agriculture by Dr. Bruce Plasch which indicates that OSC could switch to a single train milling operation, releasing approximately 6,200 acres of land, and still remain viable.

Water Resources

58. Petitioner proposes to obtain the required water for Kapolei Town Center by withdrawing water from wells drilled

in the Waianae Subarea of the Pearl Harbor Ground Water Control Area (PHGWA). According to Petitioner, the Department of Land and Natural Resources (DLNR) indicates that the Waianae Subarea has an established sustainable yield of 25 million gallons per day (mgd) of potable water of which 5.5 mgd is available for allocation upon approval of the Board of Land and Natural Resources.

59. Increment I is located over the boundary of the Waianae and coastal caprock. The Honolulu Board of Water Supply "No Pass" line extends through the Property and the Department of Health Underground Injection Control Line is located along the southern boundary of the Property. Petitioner indicated the reduction in the amount of groundwater recharge is slight and therefore not significant.

Historic and Archaeological Resources

60. Petitioner's archaeological consultant Paul Rosendahl conducted a preliminary archaeological reconnaissance survey of about 1400 acres during November 1986. This survey included the Property. The findings indicate that no archaeological remains are known to exist within the Property. Two historic sites within the Property, an irrigation ditch and a World War II military structure, were identified to be less than 50 years old.

The Oahu Railroad and Land Company right-of-way (Site 50-80-12-9714), which bounds the project area on the seaward

side is listed on the National Register of Historic Places. A heiau and large rockshelter are reported to have been located on Puu Kapolei outside of the Property by McAllister (1933); however, these were said to have been destroyed prior to McAllister's 1930 field work.

61. Petitioner represents that in the event any previously unidentified sites or remains are encountered during construction and site work phases, work in the immediate area will cease until the State Historic Preservation Officer has been notified and is able to assess the impact and make further recommendations for mitigative actions, if warranted.

Air Quality

62. Petitioner's air quality consultant, J. W. Morrow, prepared an air quality impact report. The findings indicate that existing air quality in the Property appears to be in compliance with federal and state standards. Concentrations of the automotive-related pollutants are believed to be relatively low due to the current low level of source activity in the immediate area.

63. Petitioner anticipates the principal short-term adverse air quality impact will be from construction activity such as site preparation and earth moving.

The principal long-term adverse air quality impact will be from automotive-related pollutants.

64. The report predicts that there will be an initial decline in maximum 1-hour carbon monoxide (CO) levels. The

levels, however, tend to increase after 1995. In all cases the projections made indicate compliance with the federal 1-hour CO standard. Under worst-case conditions, possible violations of the State 1-hour CO standard may occur along the H-1 Freeway between Palailai and Kunia by the year 2000. A concentration of the level of CO along Farrington Highway west of Palailai and Kalaeloa Boulevard is also projected to exceed the 1-hour standard by 2000.

65. Existing sources of air pollution in the general area which may have adverse effects on the proposed development are agricultural burning of sugarcane fields and industrial activities at the James Campbell Industrial Park (JCIP).

The impending construction of the proposed resource recovery facility and future construction of other as yet unidentified sources in JCIP may all contribute additional pollutants to the Ewa area. Petitioner states that these activities will have to be monitored by the responsible governmental agencies to assure continued compliance.

66. Petitioner proposes to mitigate short term fugitive dust by wetting down loose soil areas and by prompt paving or landscaping of bare soil areas.

Petitioner proposes to mitigate long-term air quality impacts from traffic by using structural improvements and traffic demand reduction strategies to decrease traffic congestion.

Scenic and Visual Resources

67. The Property and the surrounding Ewa Plain adjacent to the Property are under sugarcane cultivation. Makakilo City and the Waianae Range are the predominant mauka views and BPNAS and JCIP are visible makai of the Property.

68. Petitioner recognizes the need to retain the scenic and visual resources of the area in order to assure that the proposed urban center has a "sense of place." Petitioner proposes the project to be designed with a series of major mauka-makai streets which will provide views of the local puus, the Waianae range and the Pacific Ocean. The two major physiographic features of the area, Puu Palailai and Puu Kapolei, will become major park areas and anchors for an extensive open space system.

Flora and Fauna

69. Petitioner indicates that the vegetation on the Property has been disturbed and greatly modified. Because of this condition, introduced plant species dominate the landscape.

70. Petitioner's biological consultant, Char and Associates, conducted a survey of the Property in October 1986. The findings of the survey indicate that the Property's plant communities consisted mainly of sugarcane, scrubland vegetation, ruderal vegetation, kiawe, and koa-haole. The survey did not find any rare, threatened or endangered plant species on the Property.

71. The biological survey also indicates that due to the highly disturbed nature of the vegetation, as well as the dry climate on this part of Oahu, all but one of the observed bird species, the Pacific Golden Plover, were introduced (non-native).

The only mammal actually observed was the Feral Cat. Cat and Indian Mongoose tracks were found along the edge of the cane fields.

72. Petitioner believes the development of Kapolei Town Center will increase population in some bird species. Development in the mauka areas may adversely impact the habitat of the Pueo (Hawaiian Owl). However, a regional park is proposed for this area and the potential impact on the Pueo habitat is minimal.

ADEQUACY OF PUBLIC SERVICES AND FACILITIES

Water Service

73. The Property is located within the Board of Water Supply's Ewa - Waianae district. The existing water system consists of the following:

Well Sources:

Kunia I Wells (4.81 million gallons per day)

Hoaeae Wells (6.61 million gallons per day)

Booster Pumps:

Honouliuli Line Booster Station (four 7 million gallons per day)

Transmission Main:

30-inch in Farrington Highway from Honouliuli
Booster Pump Station to Barbers Point Reservoir

Reservoirs:

Barbers Point 215 tanks - 4.0 million gallons and
5.0 million gallons

74. Petitioner's engineering consultant, R.M. Towill Corporation, prepared The Kapolei Water Master Plan Preliminary Report identified as Petitioner's Exhibit O (Report) which includes Kapolei Town Center and the proposed Kapolei Village housing development.

75. According to the Report, Kapolei Town Center is divided into four phases and is to be completed over 20 years. The total average daily water demand is 1.27 million gallons per day (mgd) with the majority of the demand occurring in the fourth phase. The maximum daily water demand and peak hour flow are 1.9 mgd and 3.8 mgd, respectively. The maximum fire flow requirement for all four phases is 4,000 gallons per minute (gpm) for industrial and municipal areas.

76. Petitioner also prepared the Ewa Long Range Master Plan (Petitioner's Exhibit OO) (Long Range Plan), which states that the development of adequate water resources to accommodate Kapolei Town Center and the development of the Ewa Plain planning region is the responsibility of the Ewa Plains Water Development Corporation (EPWDC), whose membership

consists of Petitioner and various Ewa developers. The EPWDC prepared the "Ewa Water Master Plan", as revised in August 1987, which identifies necessary source, transmission and storage systems for potable and non-potable water supplies necessary to accommodate the development programs of participating Ewa development projects. The Honolulu Board of Water Supply (BWS), which is responsible for operating and maintaining municipal water systems, approved the Ewa Water Master Plan in October 1987.

77. Petitioner's Long Range Plan indicates that as a conservation measure, the Ewa Water Master Plan promotes the use of dual water systems wherever possible for projects within the Ewa Plain planning region. Private, non-potable systems will be developed wherever possible for irrigation use. Single-family residential areas will be supplied exclusively by the potable water system.

78. The EPWDC, which consists of West Beach Estates (Developers of Ko Olina Resort), Tom Gentry (Developer of Soda Creek residential subdivision), and Campbell Estate (Ewa Marina and James Campbell Industrial Park), are committed to the first phase of improvements and will contribute their proportionate share of the cost of these improvements as follows:

| | |
|--------------------|------------|
| West Beach Estates | 25% |
| Campbell Estate | 45% |
| Tom Gentry | <u>30%</u> |
| | 100% |

79. Petitioner estimates the cost of the first phase of improvements at approximately \$19 million which includes the development of the Honouliuli Well Field, one 1.0 million gallon (mg) and one 5.0 mg storage tanks, booster line along Farrington Highway, transmission line along Fort Weaver Road, and the Barbers Point Non-Potable Well Field and 1.5 mg Reservoir.

80. According to the Ewa Water Master Plan, new source wells in upper Honouliuli are required. Initially, 3.5 mgd is required for development through 1990. The ultimate potable requirement will reach 19.8 mgd upon completion of all projects.

81. Under the Ewa Water Master Plan, wells in upper Honouliuli will be developed first for potable water. Development of these wells is subject to meeting BWS water quality criteria and obtaining State Department of Land and Natural Resources (DLNR) approval for use of the groundwater. The first well has been drilled and is proposed to be outfitted with a 1,750 gallons per minute (gpm) pump. Further well development will be undertaken incrementally as demands require.

82. The Ewa Water Master Plan proposes that the next wells be developed with appropriate spacing in a northwest direction up into Honouliuli Gulch. All wells are proposed to be located at about the 400-foot elevation and designed to pump directly into the proposed 1.0 mgd tank with 420-foot floor elevation and 440-foot elevation spillway.

83. The State Department of Health strongly recommended that the proposed dual water system be designed to physically separate the potable and non-potable water systems to prevent cross connections of the two systems. The State Department of Health also recommended clear identification of the non-potable system to prevent the unintentional consumption of non-potable water.

Roadway and Highway Services and Facilities

84. The Property is accessible from Interstate H-1, Farrington Highway, BPNAS Access Road, and Kalaeloa Boulevard. Within the Property a network of private cane haul roads run through the area and connect to Waipahu.

Existing roadways operate well during peak periods, with traffic volumes ranging up to about 50% of capacities.

85. Petitioner projects that the development of the Kapolei Town Center will increase traffic volumes in the Ewa Plain and alter travel patterns on Oahu. The Property's potential employment opportunities could alleviate some congestion in corridors leading into downtown Honolulu.

86. Petitioner's traffic consultant focused on regional traffic impacts, and projects traffic demands will exceed highway system capacities at several locations within the next 20 years.

87. Petitioner anticipates that at the local level traffic conditions in Kapolei Town Center will be similar to

existing local traffic conditions in outlying business areas with similar densities such as Waipahu, Kailua or Kaimuki.

Between the Property and Makakilo City, Petitioner estimates that 2,000 vehicles per hour will be generated and that adequate traffic service could be provided by the existing Makakilo Drive beyond the year 2000, with near capacity conditions occurring in year 2005 peak hours.

Petitioner estimates the capacity of Kalaeloa Boulevard to be 2,200 vehicles per hour. Capacity is projected to be reached by 1995.

88. Petitioner indicates regional traffic impacts to consist of:

a) An increase between Kapolei and Waianae on Farrington Highway. The capacity of the Farrington Highway is estimated to be 3,200 vehicles per hour and near-capacity conditions are projected to be reached during afternoon peak hours in the year 2005;

b) East of Kapolei, traffic volumes are projected to increase. The critical location being at Kunia Interchange whereby the interchange's capacity of approximately 470 vehicles per hour will be exceeded in 1998;

c) Traffic west of Kunia Road will increase in both directions with estimated capacity of 5,400 vehicles per hour on H-1 and 1,100 vehicles per hour on Farrington Highway to be reached in 1998 (westbound) and 2003 (eastbound);

d) Near capacity conditions east of the Waiawa Interchange are predicted to occur about 1990.

89. Petitioner's traffic consultant recommended the following improvements as a result of its traffic analysis:

a) Traffic reduction strategies should be pursued immediately. High occupancy vehicle (HOV) lanes proposed for the highway system can be utilized to mitigate congestion. The Kapolei Town Center provides an excellent opportunity to create an employer-based ride sharing program on Oahu.

b) Use of contraflow lanes on highway corridors to increase peak hour capacities in existing peak directions should be carefully evaluated, in light of the rapid increase in traffic demands projected to occur in the "off-peak" direction.

c) A transportation terminal within Kapolei Town Center should be developed to encourage HOV use and accommodate regional mass transportation needs.

d) The Ewa Parkway between Kapolei Town Center and Ewa Villages/Ewa Marina should be constructed by year 2000. This corridor should have adequate width to accommodate a six-lane highway, fixed transit, and desired amenities. Initially, a two lane highway is projected to adequately serve year 2005 traffic demands.

e) A north-south roadway parallel to Fort Weaver Road will not be needed for development that is projected to occur by 2005.

f) The new loop ramp from westbound H-1 directly into the Kapolei Town Center should be constructed prior to 1995.

g) One additional off-ramp lane from the east and one additional on-ramp to H-1, eastbound should be provided before 2005.

90. Petitioner made no commitments regarding its participation in the traffic improvements recommended for the proposed development.

Wastewater Management

91. The City and County of Honolulu Honouliuli Wastewater Treatment Plant serves the Ewa area including Makakilo City. The existing Makakilo sewer trunk line runs along NASBP Access Road to the old railroad right-of-way on the northern side of NASBP and terminates at the Honouliuli sewage plant. Sewage is disposed, after treatment, off Barbers Point.

92. Petitioner estimates the Kapolei Town Center, when fully built, will generate a maximum daily flow of 6.5 mgd and the peak daily flow estimated for Kapolei Village is approximately 5.5 mgd.

93. Petitioner's engineering consultant proposes that sewage generated by the project be treated at Honouliuli which has a current capacity of 25 mgd. The initial phase of development is proposed to be connected with the Makakilo trunk line along NASBP Access Road. Future phases are proposed to

connect with the proposed Ko Olina sewer interceptors originating from the proposed resort. The proposed Kapolei Village will also tie into the proposed Ko Olina interceptors. In order to accommodate these projects and Ko Olina, the proposed Ko Olina interceptors will be sized at 36 inches for Phase I and 48 inches for Phase II.

94. Estimated sewage flows from the proposed Kapolei Town Center and the adjacent Ko Olina and Kapolei Village projects will exceed the Honouliuli treatment plant's capacity. Plans and requests for funding are underway to increase the plant's capacity to 51 mgd by 1994.

95. Petitioner did not make any commitments regarding its participation in the sewage infrastructure improvements recommended for the proposed development.

Drainage

96. Presently, storm runoff, originating from the Waianae mountains, crosses the Property by sheetflow or by natural drainageways and flows onto the NASBP. Two coral pits located near the northern boundary of the NASBP receives a moderate amount of the runoff. However, the capacities of these pits are limited and may be inadequate during very large storms.

Flooding in portions of the NASBP have been reported for January 2 and 3, 1969, causing damage in the vicinity of the Enlisted Men's Housing Area.

97. Petitioner's proposed drainage improvements for the Kapolei Town Center include detention basins, a coral pit, and channels or culverts. Two basins are proposed, one located just west of Puu Kapolei and the second located towards the southwest, mauka of NASBP. Both basins are to be developed as large park and recreational areas. Overflows from a 100-year storm will flow into a drainage culvert connected to the James Campbell Industrial Park (JCIP) drainage channel which is disposed offshore. According to Petitioner, this system should alleviate runoff originating mauka of the Property and most areas on the Property except for the southeastern corner. Runoff from this corner is proposed to be disposed of in the existing coral pit located on the Property.

98. The Commanding Officer of NASBP (CO) expressed concern that the proposed project may compound the existing flooding problem due to an increase in impervious areas associated with all other developments planned for the area. In particular, the CO stated the drainage canal between NASBP and JCIP may be too small to accommodate the increased load. The CO further stated that BPNAS seeks a commitment that there will be no increase in runoff or peak flows over existing conditions if the project is approved.

99. Petitioner made no commitments as to how it will contribute towards drainage improvements as a result of the development.

Solid Waste Disposal

100. Currently, residential areas near the project site are serviced by the City and County of Honolulu, Division of Refuse. Non-residential uses and multi-family residential areas are serviced by private refuse collection companies. Solid wastes are disposed of either at the Palailai Landfill which is near capacity and proposed to be closed, or the Waipahu Incinerator.

101. Petitioner proposes that private refuse collectors will service the commercial, office and light industrial areas on the Property and the refuse be disposed of at the new Waimanalo Landfill northwest of the Property. Petitioner also anticipates the Property to be served by the planned Garbage-to-Energy (H-POWER) facility in JCIP.

Schools

102. Barbers Point, Makakilo, Mauka Lani and Ewa, Iroquois Point, Kamiloa, Pohakea Ewa Beach Elementary Schools, Ilima Intermediate, and Campbell High School serve the Property and the surrounding area.

Petitioner's environmental assessment indicates that a comparison of existing enrollments with design capacity indicates that most Ewa schools have between 20 percent and 60 percent of their capacity to accommodate future growth.

103. In a letter to the Department of Business and Economic Development dated November 24, 1987, the Department of

Education (DOE) indicated that the existing schools may be able to accommodate the students anticipated through 1992. The DOE however cannot assure the availability of classroom space beyond 1992. Legislative appropriations may be required on a timely basis to accommodate projected growth beyond 1992. Finally, DOE stated that the classroom requirements will depend on the timing of all subdivisions that affect the subject schools.

104. Petitioner states that in addition to an elementary school site being designated within the residential area located in the southern half of the Kapolei Town Center, the Ko Olina development has designated an elementary school site within its project area. The Kapolei Village development also provides areas to accommodate two elementary schools, one intermediate school, and one high school.

Recreational Facilities

105. Presently there are no existing parks or recreational facilities within the Property. Adjacent to the eastern border of the Property lies the 29-acre Puu Kapolei, a former military reservation, a portion of which has been acquired by the City for park use. The park is not improved or maintained at the present time. The City Department of Parks and Recreation indicates that a shortage of recreational park areas exists in the Makakilo area.

106. Petitioner's market study projects a need for 134 net acres of park areas by the year 2005.

107. Petitioner's Long Range Plan proposes that a system of parks interlinked by greenbelts containing bikeways and pedestrian paths be included in its design theme. The greenbelt system connects all of the different land uses, and provides active and passive recreation for all residents and visitors.

The following park developments are proposed for the area: The 78-acre Kapolei Park, just south of Increment I (this Park includes the 29-acre Fort Barrette Park and has been identified as the site of a district park); a number of neighborhood parks within the residential areas in the southern portion of the Property; and the two neighborhood and one community park located within the major residential areas of the proposed Kapolei Village residential development.

108. In addition, Petitioner proposes that along the southern boundary of Kapolei Town Center and the OR&L right of way, a linear park would extend from Kalaeloa Boulevard to the NASBP Access Road. Puu Palailai, located mauka of the H-1 Freeway and the Property (currently used as a sanitary landfill), will be reclaimed and developed into a regional park.

Police Protection

109. Police service to the Ewa area is provided from the Pearl City station.

Petitioner's market study predicts that within 20 years of development, there will be a need for new police

facilities in the vicinity and approximately 1.7 acres would be necessary to service the needs of the projected population. Petitioner proposes that a police station be accommodated within the 19.5 acres of public facility land uses within Increment I.

Fire Protection

110. Fire services to the Property are presently provided from the Makakilo station. Additional City Fire Department units are available from the Waipahu and Nanakuli stations.

The City and County of Honolulu Fire Department estimates that due to existing and future development in the Ewa, Campbell Industrial Park and Ko Olina areas, a new fire station will be needed within the Kapolei Town Center. The City and County of Honolulu Fire Department has requested that a site of about 25,000 square feet be set aside. Petitioner states it will coordinate plans for fire protection with the City and County of Honolulu Fire Department.

Emergency Medical Services and Health Care Facilities

111. Currently, residents in the area use the Waipahu Clinic which serves the area from Waipahu to Waianae. Presently, the nearest hospital to the Property is the Moanalua Kaiser Medical Center. The closest emergency ambulance service is located in Waipahu and requires an eleven minute response time to the Property.

112. Petitioner's market study projects a need for new health care facilities to serve the Ewa population. The market study predicts that within 20-years of the initial development in Kapolei Town Center, there will be a need for new health care facilities in the vicinity, including clinic and hospital services.

Saint Francis Hospital began construction of a new hospital near the Farrington/Fort Weaver Road intersection in early 1987.

Power and Communications

113. The Property is not presently serviced by power and telecommunications utilities. Hawaiian Electric Company (HECO) maintains a 138 KV overhead transmission line (Kahe Power Plant to Campbell Industrial Park) which passes to the west of the Property mauka of the H-1 Freeway and terminates at the JCIP substation. HECO also maintains a 48 KV overhead transmission line servicing the NASBP which runs along the NASBP access road to the east of the Property.

In addition, a number of below-grade fuel lines are present in the area. An existing 8-inch Kahe Power Plant fuel oil pipeline runs from the industrial park along Kalaeloa Boulevard and then along the makai side of the OR&L right-of-way to the Kahe Power Plant. Chevron maintains a fuel pipeline along the makai side of the OR&L right-of-way south of the Property. A third underground pipeline extends along

Kalaeloa Boulevard and turns eastward, running along the mauka side of Farrington Highway, traversing a portion of the Property.

Hawaiian Telephone Company also maintains telecommunications facilities in the project area at Makakilo, NASBP and the Honokai Hale subdivision.

114. Petitioner's preliminary consultations with HECO, Hawaiian Tel and CATV indicate that the project area can be serviced by the respective utilities with no adverse impact to existing and projected service levels.

Petitioner does not propose to relocate the pipeline easement lying along the mauka side of Farrington Highway. Current land use plans incorporate the easement into front-and side-yard setbacks and landscaped buffer areas of non-residential land uses (commercial, office and business park) within the Kapolei Town Center.

Petitioner indicates that provisions have been made to provide service access to this easement at all times.

Affordable Housing

115. Petitioner indicates a full range of housing will be provided in the surrounding area. Although no housing is proposed for Increment I, subsequent increments to the south will include a proposal for housing.

Deep Draft Harbor Facilities

116. Petitioner believes the existing and proposed expansion of the Barbers Point Deep Draft Harbor (Harbor) and

Kapolei Town Center are complementary developments. The development of Kapolei Town Center and surrounding projects represent a major market that will create a demand initially for construction materials to build and outfit the hotels, homes, offices, shops and industrial buildings, and eventually, for consumer-type goods and services which could be brought into the area using the harbor facilities.

The Ewa Plain will in turn benefit from the Harbor. Petitioner anticipates the Harbor will provide a source of stevedoring and administrative jobs to service vessels. Petitioner believes the combination of less expensive land, the availability of large land parcels, lower land transportation costs, and access to Harbor facilities and ocean carriers will encourage the relocation of distribution-type firms to the adjacent JCIP, or to other industrial parks on the Leeward side.

SOCIAL AND ECONOMIC IMPACTS

117. Petitioner believes the development of the project will assist the accommodation and creation of a growing population in the Ewa Plain and will allow Ewa residents to work close to home in employment centers such as Campbell Industrial Park, Barber's Point Naval Air Station, and the Ko Olina Resort area.

118. Petitioner's mid-range employment projections indicate that by the year 2005, Kapolei Town Center and the surrounding communities, principally Ko Olina and the James

Campbell Industrial Park, will provide employment for about 12,400 and 26,170 persons, respectively.

119. Petitioner's economic analyst, Decision Analysts, prepared a study of the fiscal impacts of the proposed Kapolei Town Center which indicates that the State and County would derive substantial revenues from the development of Kapolei Town Center.

120. Petitioner projects that in terms of 1987 dollars and at projected development in the year 2005, annual County revenues derived from the Project are estimated to be about \$36 million. Expenditures to support the project would be about \$23.2 million per year, including debt service.

121. Petitioner estimates for the State, tax revenues generated by the 20-years of construction activity will be \$221 million. Expenditures which are estimated at \$41.5 million are to be spent on State-financed school, library, and freeway improvements.

STATE OF HAWAII'S AGREEMENT WITH PETITIONER

122. The State of Hawaii has recommended partial approval of the Petition, specifically the urbanization of 135 acres, which coincides with Increment I of the proposed development.

123. A major concern of the State in its review of the petition has been the viability of the Ewa Plain becoming the proposed Secondary Urban Center. The State's concern has

centered on the infrastructure requirements, and the probability of the area developing into an employment center. Of concern also is the impact of the development of the area on agriculture.

124. Based on the State of Hawaii's understanding with the Petitioner, the State agrees that the Ewa Plain area, with proper attention, can be developed into the proposed second urban center.

125. The State of Hawaii has agreed with the Campbell Estate with respect to the following items:

- "a. The sale of 830 acres at \$19,400 per acre for the development of Kapolei Village in accordance with the Housing Finance and Development Corporation's (HFDC) Master Plan. 175,000 gallons/day of water will also be provided to HFDC for the first phase of the development. The development of Kapolei Village as a planned residential community should contribute towards the necessary population base (as well as provide much needed affordable housing) to make the proposed commercial center a reality.
- "b. At Barbers Point Harbor, the conveyance of 87 acres of land at no cost to the State, including 37 acres which were previously identified for transfer if need is demonstrated, and the sale of 56.6 acres at 50% of fair market price, not exceeding \$1.50 per square foot, plus escalation, based on comparables in the adjoining industrial area. The State in turn, will accelerate the development of the Harbor, including Phases I and II, of its Harbor Development Plan. The conveyance of the land, and its development as part of the Harbor should contribute towards making the industrial areas more effective as an employment center. Approximately 1,600 feet of pier will be constructed at the State's expense. The Legislature appropriated \$18 million this year to proceed with Phases I and II.

- "c. The conveyance at no cost of at least 40 acres of land in the proposed Town Center area with all off-site costs to be borne by the Campbell Estate. If need can be demonstrated, additional lands may be made available to the State at no cost. Possible additional public uses may include a new campus for the University of Hawaii. The establishment of governmental offices/services in the Town Center should also contribute towards the establishment of the Second Urban Center.
- "d. The Campbell Estate is aware that the State, through the Board of Land and Natural Resources intends to utilize the constitutional provisions regarding land-banking to acquire through condemnation, if necessary, additional acreage -- up to 3,000+ -- to protect agriculture, and to provide options for the future."

CONFORMANCE WITH URBAN DISTRICT STANDARDS

126. The Property meets the standards applicable in establishing boundaries of the Urban District set forth in Section 15-15-18 of the Commission's Rules as follows:

a. The proposed Kapolei Town Center will be a "city-like" concentration of people, structure, streets, urban level of services and related land use.

b. The Kapolei Town Center will be a new center for employment. In addition, the project will be proximately located to other centers of employment, including Ko Olina Resort, the James Campbell Industrial Park, the Barbers Point Deep Draft Harbor, Barbers Point Naval Air Station, West Loch Naval Operations and the developing community shopping center on the triangular parcel of land bounded by H-1 Interstate Highway, Farrington Highway and Makakilo Drive.

c. Petitioner has presented evidence regarding the economic feasibility of the development and Petitioner's financial capability to carry out the development.

d. The City and County of Honolulu General Plan has designated the area for future urban growth and new urban concentration.

e. The development of Kapolei Town Center will not contribute toward scattered spot urban development.

f. Kapolei Town Center will be developed on land sites with satisfactory topography and drainage and reasonably free from the danger of adverse environmental effects.

g. The majority of the Property is relatively level and readily adaptable for urban development. Basic services such as sewers, transportation, water, sanitation, schools, parks, police and fire protection will be provided as needed to serve the development.

h. Although the development of the Property will result in lands being withdrawn from sugarcane production, the reclassification is reasonably necessary for urban growth.

CONFORMANCE WITH THE HAWAII STATE PLAN

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

226-4(1) A strong, viable economy, characterized by stability, diversity, and growth, that

enables the fulfillment of the needs and expectations of Hawaii's present and future generations.

226-4(2) A desired physical environment, characterized by beauty, cleanliness, quiet, stable natural systems, and uniqueness, that enhances the mental and physical well-being of the people.

226-4(3) Physical, social, and economic well-being, for individuals and families in Hawaii, that nourishes a sense of community responsibility, of caring, and of participation in community life.

The development of Kapolei Town Center is envisioned to be a physical environment characterized by beauty, cleanliness, quiet, stable natural systems and uniqueness. The development of Kapolei Town Center with its full complement of employment opportunities, public facilities, governmental service functions and related housing will help achieve a strong, viable economy characterized by stability, diversity and growth.

Objective and Policies for Population

226-5(b)(1) Manage population growth statewide in a manner that provides increased opportunities for Hawaii's people to pursue their physical, social, and economic aspirations while recognizing the unique needs of each county.

226-5(b)(7) Plan the development and availability of land and water resources in a coordinated manner so as to provide for the desired levels of growth in each geographic area.

By focusing population and employment growth in the secondary urban center, the state's population objective of managing population growth and planning the development and availability of land and water resources in a coordinated manner, are met.

Objectives and Policies for the Economy - In General

226-6(a)(1) Increased and diversified employment opportunities to achieve full employment, increased income and job choice, and improved living standards for Hawaii's people.

As a secondary employment center, the project will help increase and diversify employment opportunities to achieve full employment, increased income and job choice, and improve living standards.

Objective and Policies for the Physical Environment-Scenic, Natural Beauty, and Historic Resources

226-12(b)(5) Encourage the design of developments and activities that complement the natural beauty of the islands.

Petitioner proposes the physical characteristics, landscaping, and layout of Kapolei will be designed in a manner

that will complement the natural beauty and scenic assets of the area.

Economic Priority Guidelines

226-103(a) Priority guidelines to stimulate economic growth and encourage business expansion and development to provide needed jobs for Hawaii's people and achieve a stable and diversified economy.

The development of a secondary urban center is fully consistent with the state's economic priority guidelines of stimulating economic growth, encouraging business expansion and development, providing jobs and achieving stable and diversified economy.

INCREMENTAL DISTRICTING

128. Full urban development of the entire Property cannot reasonably be completed within five years from the date of county zoning approval. Petitioner proposes to initially develop Increment I of approximately 135 acres and the remaining balance of approximately 678.02 acres, as amended, is to be developed in subsequent increments.

129. The Commission finds that 79.498 total acres of land (TMK: 9-1-16:por 4), of which 2.518 acres are designated in the Urban District and 76.98 is designated in the Agricultural District, originally included in the subsequent increments of Petitioner's Application are now also the subject

of an independent application filed by the LUSK Co., Docket No. A88-628 ("Kapolei Knolls").

RULING ON PROPOSED FINDINGS OF FACT

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

SECOND AMENDED CONCLUSIONS OF LAW

Pursuant to Chapter 205 of the Hawaii Revised Statutes, as amended, and the Commission Rules, the Commission finds upon a preponderance of evidence that the reclassification of the lands within Increment I of the Property in its amended configuration, and approximately shown on Second Amended Exhibit "A" attached hereto and incorporated herein by reference, consisting of approximately 135 acres of land situate at Honouliuli, District of Ewa, Island of Oahu, State of Hawaii, identified as Oahu Tax Map Key Nos.: 9-1-16: portion of 1 and portion of 24, from the Agricultural District to the Urban District for the Kapolei Town Center, subject to the conditions and pre-conditions in the Order, is reasonable, nonviolative of Section 205-2, Hawaii Revised Statutes, and is consistent with the Hawaii State Plan as set forth in Chapter 226, Hawaii Revised Statutes, as amended.

The Commission further concludes that insofar as 79.498 total acres in Petitioner's original Application, of

which 76.98 agricultural acres were included in Petitioner's Subsequent Increments, are now the subject of an independent petition filed by the LUSK Co. and designated as Docket No. A88-628 ("Kapolei Knolls"), these same 79.498 total acres should be excluded from the scope of the proposed project. This exclusion results in a decrease of 76.98 agricultural acres from the 755 acres originally included in Petitioner's Subsequent Increments.

The Commission further concludes that inasmuch as full development of the lands within the Subsequent Increments of the Property in its amended configuration, which consists of approximately 678.02 acres of agricultural land as approximately shown in said Second Amended Exhibit "A", cannot be reasonably completed within five years from the date of final approval by the City and County of Honolulu in this matter, incremental districting of the lands within the Subsequent Increments of the Petitioner's development identified as Oahu Tax Map Key Numbers: 9-1-15: portion of 4; 9-1-16: portion of 1, portion of 4, 5, 6, portion of 9, 12, 13, portion of 16, 18, portion of 24, 30; 9-2-03: portion of 2, 12; and 9-2-19: portion of 1, situate at Honouliuli, District of Ewa, Island of Oahu, State of Hawaii, from the Agricultural to the Urban District and amendment of the Land Use District Boundaries to permit the development of the Subsequent Increments, subject to the conditions and pre-conditions in the

Order, is reasonable, nonviolative of Section 205-2, Hawaii Revised Statutes, and consistent with the Commission Rules.

SECOND AMENDED ORDER

IT IS HEREBY ORDERED that a portion of the Property identified as Increment I, consisting of approximately 135 acres, being the subject of Docket Number A87-613 by The Trustees Under the Will and of the Estate of James Campbell, Deceased, situated at Honouliuli, Ewa, Island of Oahu, State of Hawaii, identified as Oahu Tax Map Key 9-1-16: portion of 1 and portion of 24, and approximately identified on Second Amended Exhibit "A", attached hereto and incorporated by reference herein, for reclassification from the Agricultural District to the Urban District, shall be and hereby is approved subject to the following conditions and pre-conditions of approval.

IT IS ALSO HEREBY ORDERED that the remaining balance of the Property, identified as the Subsequent Increments, consisting of approximately 678.02 acres, situate at Honouliuli, District of Ewa, Island of Oahu, State of Hawaii, identified as Oahu Tax Map Key 9-1-15: portion of 4; 9-1-16: portion of 1, portion of 4, 5, 6, portion of 9, 12, 13, portion of 16, 18, portion of 24, 30; 9-2-03: portion of 2, 12; and 9-2-19: portion of 1, and approximately identified on said Second Amended Exhibit "A", shall be and the same is approved for incremental districting pursuant to Section 15-15-78 of the Commission Rules and that redistricting of the Subsequent

Increments from the Agricultural District to the Urban District will be granted upon receipt of an application by Petitioner for redistricting of the Subsequent Increments upon a prima facie showing that there has occurred substantial completion of the on-site and off-site improvements and employment opportunities within Increment I and in accordance with the Petitioner's development plan as represented, within five years of the date of final approval by the City and County of Honolulu subject to the conditions and pre-conditions as follows:

1. Kapolei Town Center shall be a commercial, industrial, government and business center. There shall be no residential construction in the entire petition area consisting of 813.02 acres without Land Use Commission approval.

2. Petitioner shall fund and construct the necessary transportation improvements to mitigate impacts from the subject project on an equitable basis with adjoining landowners and developers and/or other Federal, State or County agencies as determined by the State Department of Transportation. These improvements shall be implemented on a schedule acceptable to and approved by the State Department of Transportation.

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

4. Petitioner shall immediately stop work and contact the State Historic Preservation Office should any

archaeological resources such as artifacts, shell, bone or charcoal deposits, human burial, rock or coral alignments, paving or walls be encountered during the project's development.

5. Petitioner shall provide water source and transmission to service the subject project.

6. Petitioner shall provide drainage improvements for the subject project and shall coordinate off-site improvements with the State Housing Finance and Development Corporation and the Barbers Point Naval Air Station.

7. Petitioner shall construct or produce binding agreements to construct in the 135 acre Increment I a minimum of 1.0 million square feet of facilities for office space, commercial space, business park/light industrial and other uses.

8. Petitioner shall construct the Kapolei Shopping Center situated on 30 acres within the existing Urban District.

9. As Petitioner has advanced as justification for a secondary urban core at the Kapolei Town Center, the provision of affordable housing at Kapolei Village, the potential relocation of governmental offices to the town center and the potential expanded uses of the Barbers Point Deep Draft Harbor, the reclassification shall be subject to the following pre-conditions listed in these sub-paragraphs 9.a., b. and c.:

a. The execution of an agreement with the State Housing Finance and Development Corporation for the sale of 830 acres at \$19,400 per acre for the development of Kapolei

Village in accordance with the State Housing Finance and Development Corporation's master plan and for provision of 175,000 gallons per day of water for the first phase of development.

b. The execution of an agreement or document evidencing the Petitioner's commitment to provide forty acres to the State of Hawaii at no cost for governmental offices or other uses in the Kapolei Town Center with all off-site costs to be borne by the Petitioner.

c. The execution of an agreement or document evidencing the Petitioner's commitment to provide 87 acres at no cost to the State and the sale to the State of 56.5 acres at 50 percent of fair market value not to exceed \$1.50 per square foot, plus escalation based on comparables in the adjoining industrial area, to increase the productive capacity of Barbers Point Deep Draft Harbor.

The agreement referenced in sub-paragraphs 9.a., b. and c. is the oral agreement entered into between the State of Hawaii and Petitioner involving mutual rights and obligations.

The only pre-conditions to reclassification (as opposed to conditions upon approval of reclassification) are those listed in these sub-paragraphs 9.a., b. and c.

10. As Petitioner has testified that the portion of the agreement set forth in sub-paragraph 9.c. hereinabove is subject to approval by the Probate Court of the State of

Hawaii, Petitioner shall obtain approval of the Probate Court of such portion of the agreement as is described in 9.c. above.

11. Petitioner shall provide annual reports to the Land Use Commission, the Office of State Planning and the City and County of Honolulu Department of General Planning in connection with the status of the project and Petitioner's progress in complying with the conditions imposed.

12. Petitioner shall develop the Property in substantial compliance with representations made to the Land Use Commission in obtaining the reclassification of the Property.

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

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

This Second Amended Findings of Fact, Conclusions of Law and Decision and Order, supersedes and replaces First Amended Findings of Fact, Conclusions of Law and Decision and Order dated March 29, 1989, and Findings of Fact, Conclusions of Law and Decision and Order dated September 23, 1988.

DOCKET NO. A87-613 - THE TRUSTEES UNDER THE WILL AND OF THE ESTATE
OF JAMES CAMPBELL, DECEASED

Done at Honolulu, Hawaii, this 30th day of May 1989,
per motions on April 14, 1989 and May 11, 1989.

LAND USE COMMISSION
STATE OF HAWAII

By *Renton L. K. Nip*
RENTON L. K. NIP
Chairman and Commissioner

By *Lawrence F. Chun*
LAWRENCE F. CHUN
Vice Chairman and Commissioner

By *Frederick P. Whittemore*
FREDERICK P. WHITTEMORE
Commissioner

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

Filed and effective on
May 30, 1989

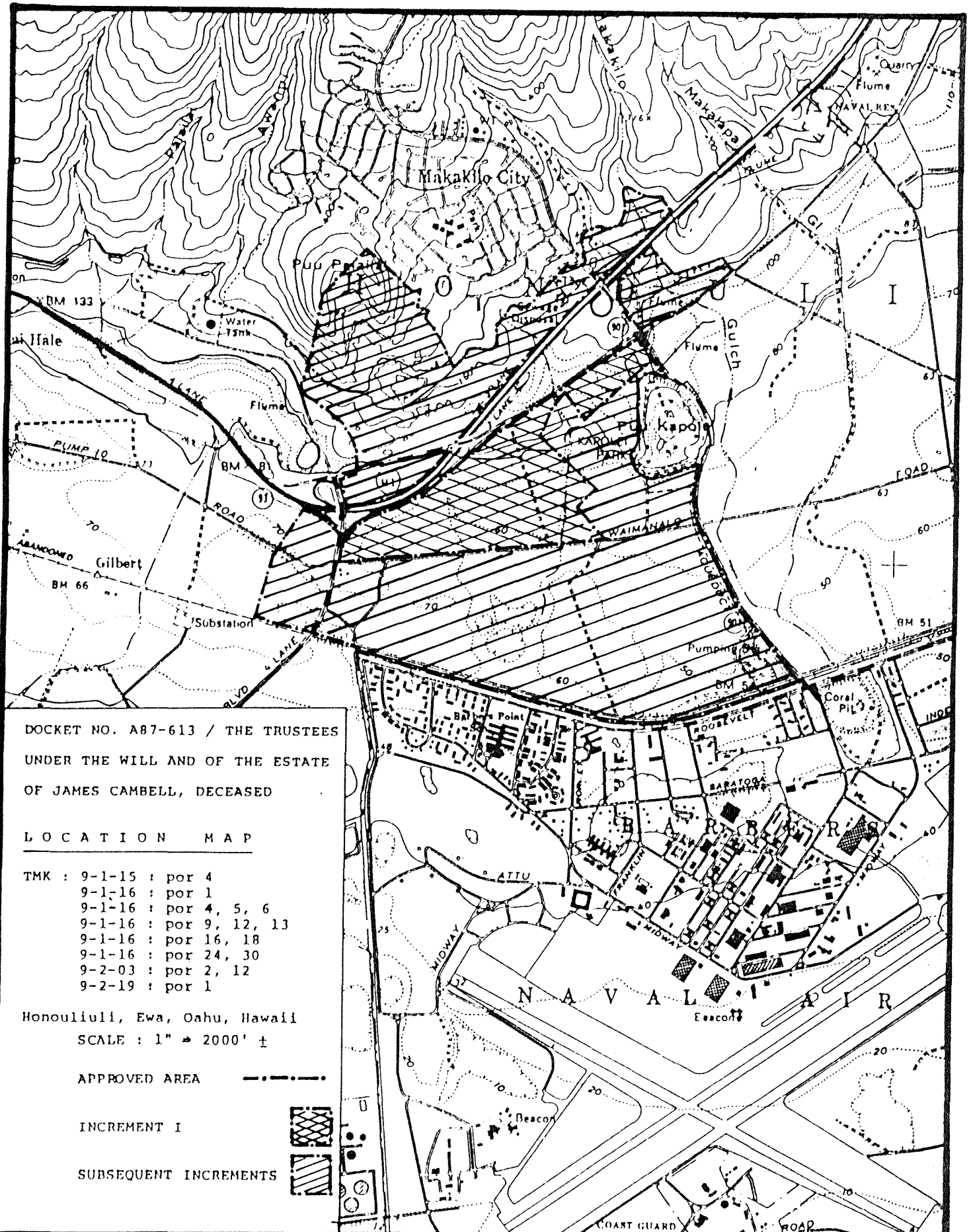
By *J. P. Tacbian*
TEOFILO PHIL TACBIAN
Commissioner

Certified by:

Robert L. ...
Executive Officer

By *Sharon R. Himeno*
SHARON R. HIMENO
Commissioner

By *Allen Y. Kajioke*
ALLEN Y. KAJIOKA
Commissioner




DOCKET NO. A87-613 / THE TRUSTEES
 UNDER THE WILL AND OF THE ESTATE
 OF JAMES CAMBELL, DECEASED


LOCATION MAP

- TMK : 9-1-15 : por 4
- 9-1-16 : por 1
- 9-1-16 : por 4, 5, 6
- 9-1-16 : por 9, 12, 13
- 9-1-16 : por 16, 18
- 9-1-16 : por 24, 30
- 9-2-03 : por 2, 12
- 9-2-19 : por 1

Honouliuli, Ewa, Oahu, Hawaii
 SCALE : 1" = 2000' ±

APPROVED AREA - - - - -

INCREMENT I 

SUBSEQUENT INCREMENTS 

SECOND AMENDED EXHIBIT "A"

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

| | | |
|-------------------------------------|---|------------------------|
| In the Matter of the Petition of |) | DOCKET NO. A87-613 |
| |) | |
| THE TRUSTEES UNDER THE WILL AND |) | THE TRUSTEES UNDER THE |
| OF THE ESTATE OF JAMES CAMPBELL, |) | WILL AND OF THE ESTATE |
| DECEASED |) | OF JAMES CAMPBELL, |
| |) | DECEASED |
| To Amend the Agricultural Land Use |) | |
| District Boundary into Urban Land |) | |
| Use District for Approximately |) | |
| 813.02 acres of land at Honouliuli, |) | |
| Ewa, Island of Oahu, State of |) | |
| Hawaii, Tax Map Key Numbers: |) | |
| 9-1-15: Portion of 4; 9-1-16: |) | |
| Portion of 1, Portion of 4, 5, 6, |) | |
| Portion of 9, 12, 13, Portion of |) | |
| 16, 18, Portion of 24, 30; 9-2-03: |) | |
| Portion of 2, 12; and 9-2-19: |) | |
| Portion of 1 |) | |
| <hr/> | | |

CERTIFICATE OF SERVICE

I hereby certify that a copy of the Second Amended 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
State Capitol, Room 410
Honolulu, Hawaii 96813

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

CERT. IVAN LUI-KWAN, ESQ., Attorney for Petitioner
Carlsmith, Wichman, Case, Mukai & Ichiki
P. O. Box 656
Honolulu, Hawaii 96809

DATED: Honolulu, Hawaii this 30th day of May 1989.



ESTHER UEDA, Executive Officer