

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)
HASEKO (HAWAII), INC.)
To Amend the Agricultural Land Use)
District Boundary into the Urban)
Land Use District for approximately)
403.008 acres at Honouliuli, Ewa,)
Oahu, Hawaii, Tax Map Key Nos.:)
9-1-12: portion of 5, portion of 6,)
and portion of 23)
_____)

DOCKET NO. A89-651
HASEKO (HAWAII), INC.

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LAND USE COMMISSION
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FINDINGS OF FACT, CONCLUSIONS
OF LAW, AND DECISION AND ORDER

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FINDINGS OF FACT, CONCLUSIONS
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HASEKO (HAWAII), INC., a Hawaii corporation ("Petitioner"), filed a Petition on December 8, 1989 and an Amendment to Petition For Land Use District Boundary Amendment on March 5, 1990 (collectively referred to as the "Petition"), pursuant to Chapter 205, Hawaii Revised Statutes ("HRS"), as amended ("HRS"), and the Hawaii Land Use Commission Rules, Title 15, Subtitle 3, Chapter 15, Hawaii Administrative Rules ("Commission Rules"), as amended, to amend the Land Use District Boundary to reclassify approximately 389 acres of land situate at Honouliuli, Ewa, Oahu, State of Hawaii, identified as Oahu Tax Map Key Nos.: 9-1-12: portion of 5, portion of 6 and portion of 23 (hereinafter referred to as "Petition Area" or sometimes as "Phase II"), from the Agricultural District to the Urban District. Petitioner proposes to develop the Petition Area as Phase II of its approximately 1,100-acre proposed Ewa Marina Project (hereinafter sometimes referred to

as "Ewa Marina"). The Land Use Commission of the State of Hawaii (hereinafter the "Commission"), having heard and examined the testimony, evidence and argument of the parties and/or counsel for the parties presented during the hearings, and the parties' proposed findings of fact, conclusions of law and decision and order, and the Office of State Planning's Stipulation to Petitioner's Findings of Fact and Conclusions of Law hereby makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

PROCEDURAL MATTERS

1. The Commission held hearings on the Petition on April 23 and 24, 1990 and June 28 and 29, 1990, pursuant to notice published on March 17, 1990, in the Honolulu Star-Bulletin, a newspaper of general circulation.

2. The Department of the Navy ("Intervenor") filed a Petition To Intervene and a Motion For Fee Waiver on April 2, 1990, both of which were subsequently granted by the Commission by motion adopted on April 23, 1990, and by Order filed on May 10, 1990.

3. On April 23, 1990, Petitioner filed a Motion to Amend Petition, requesting that the Petition Area be amended. The Commission, by motion adopted on April 23, 1990, and by Order filed on June 13, 1990, approved the Motion to Amend Petition and allowed Petitioner to file a corrected metes and bounds description and map. Said map and description were filed on

June 1, 1990, and the Petition Area acreage was amended to approximately 403.008 acres.

4. On April 23, 1990, the Commission allowed Charles Dick Beamer, Cynthia Foo, Glen Oamilda, Harry Ching, and Ted Farm to testify as public witnesses. The Commission also received into evidence the written testimony of Ted Farm, Chuck Naylor, Paul Leo Klink, Senator Mike Crozier, Elizabeth Ann Stone, Kelly Miyahira, and the Ewa Beach Shopping Center Merchant's Association.

5. On June 15, 1990, Petitioner filed a Motion for Order Sealing Financial Exhibits, which requested the sealing of Petitioner's Exhibits RR and RR-1. On July 25, 1990, the Commission filed Order Granting Motion to Seal Financial Exhibits.

6. On June 28, 1990, a handwritten request for intervention from a group of individuals referring to themselves as the "Save Ewa Beach Ohana" was received by the Commission. Upon consideration of the request and upon motion adopted by the Commission on June 28, 1990, the request for intervention was denied. The Order denying intervention was filed on July 25, 1990.

7. On June 28, 1990, the Commission allowed Jeffrey Alexander and Clifford Oliveira to testify as public witnesses. The Commission also admitted into evidence the written testimony of Martha Hipperson, Theresa Gaynor, Tony and Ann Sulenta, Harold and Jeanneta Wilson, Paula Helfrich, Dagmar Strauss, Mrs. Emogene

K. Martin, and a petition containing 87 pages of signatures presented by Jeffrey Alexander.

DESCRIPTION OF PETITION AREA

8. The Petition Area is located in the Ewa District of the Island of Oahu, sometimes referred to as the Ewa Plain. It lies about 20 miles west of Honolulu and is bordered by the Ewa Beach Community to the east, the Naval Air Station Barbers Point ("NASBP") to the west, Phase I of proposed Ewa Marina to the south, and sugarcane fields to the north.

9. The Ewa Plain has been designated for development by the City and County of Honolulu ("City") as a secondary urban center and is expected to accommodate most of the anticipated increase in population on Oahu through the year 2005.

10. In the eastern half of the Ewa Plain are the existing communities of Ewa Beach, Iroquois Point Puuloa Military Family Housing, Ewa Villages and Honouliuli. In the western half of the Ewa Plain are the existing communities of Makakilo, Honokai Hale and Nanakai Gardens. Also located in this area are the James Campbell Industrial Park and the Barbers Point Harbor. NASBP is located in the south-central area of the region.

11. New residential developments in close proximity to the Petition Area include the Ewa Gentry 7,500-unit subdivision to the north, the City's 1,500-unit West Loch development to the northeast, and Petitioner's adjoining Phase I of Ewa Marina.

12. Other proposed major developments in Ewa include the Kapolei Town Center, the State of Hawaii's 5,000-unit

Kapolei Villages planned community, Lusk Hawaii's 500-unit residential project Kapolei Knolls, the expansion of Makakilo by 2,200 units and the Ko Olina Resort, which will contain 5,200 resort residential units and 4,000 visitor units.

13. Access to the Petition Area is presently provided by Fort Weaver Road, which connects to Farrington Highway and the H-1 Freeway.

14. As shown in Petitioner's Exhibit Q, the two phases of Ewa Marina are identified by the following Tax Map Key Numbers:

<u>Ewa Marina</u>	<u>Oahu Tax Map Key Nos.</u>	<u>Approximate Area in Acres</u>
Phase I	9-1-11: 1, 2, 3, 4, 5, 6 and 7 (inclus.), 9-1-12: 2, 3, 6 (por.), 7 (por.), 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 23 (por.)	700
Phase II (Petition Area)	9-1-12: portion of 5, portion of 6 and portion of 23	403

15. The topography of the Petition Area, which is currently leased to Oahu Sugar Company, Limited ("OSCO") for sugarcane production, is generally level and its elevation averages 20 feet above mean sea level.

16. The U.S.D.A. Soil Conservation Service, Soil Survey of Islands of Kauai, Oahu, Maui, Molokai, and Lanai, State of Hawaii, August 1972, indicates that the Petition Area consists of Coral Outcrop, Fill Land, and soils of the Mamala Series and Ewa Series.

17. Coral Outcrop (CR) consists of coral or cemented calcareous sand which were formed in shallow ocean water during the time the ocean stand was at a higher level. This land type encompasses approximately 143 acres on the western side of the Petition Area.

18. Fill land (Fd) consists of area filled with material from dredging, excavation from adjacent uplands, garbage, and bagasse and slurry from sugar mills. Generally, these materials are dumped and spread over marshes, low-lying areas along coastal flats, coral sand, coral limestone, or areas shallow to bedrock. This land type is used for urban development, including airports, housing areas, and industrial facilities. Fill land encompasses approximately 124 acres in the center of the Petition Area.

19. The eastern section of the Petition Area has soils of the Mamala Series and Ewa Series. The Mamala Series consists of shallow, well-drained soils along the coastal plains of the island of Oahu and Kauai. These soils formed in alluvium deposited over coral limestone and consolidated calcareous sand and are level to moderately sloping.

Mamala stony silty clay loam, 0 to 12 percent slopes (MnC), commonly has stones, mostly coral rock fragments, in the surface layer and in the profile. In a representative profile, the surface layer is dark, reddish-brown, stony, silty clay loam about 8 inches thick. The subsoil is dry, reddish-brown, silty clay loam about 11 inches thick. The soil is underlain

by coral limestone and consolidated calcareous sand at depths of 8 to 20 inches. This soil is neutral to mildly alkaline and its permeability is moderate. Run-off is very slow to medium, and the erosion hazard is slight to moderate. Roots are affected by the coral limestone and consolidated sand and the stones hinder, but do not prevent, cultivation. This soil is used for sugarcane, truck crops, and pasture. Approximately 91 acres of the Petition Area consists of MnC soils.

20. The Ewa Series consists of well-drained soils in basins and on alluvial fans on the islands of Maui and Oahu. These soils developed in alluvium derived from basic igneous rock.

Ewa silty clay loam, moderately shallow, 0 to 2 percent slopes (EmA), and 2 to 6 percent slopes (EmB), have surface layers of dark, silty, clay loam about 18 inches thick. The depth to the coral limestone is 20 to 50 inches. Run-off is very slow, and the erosion hazard is no more than slight. This soil is used for sugarcane, truck crops, and pasture. Approximately 35 acres of the Petition Area consist of EmA soils and approximately 7 acres consist of EmB soils.

21. The Land Study Bureau classification for about two-thirds of the Petition Area is "B"; about one-third is classified "C"; and a small portion is unrated.

22. Approximately one-tenth of the Petition Area is classified "Prime" under the Agricultural Lands of Importance

to the State of Hawaii (ALISH) classification system. The remaining lands are classified "Unique" and "Other".

23. The Flood Insurance Study prepared for the City indicates that two of the parcels (TMK: 9-1-12: por. 5 and por. 6) are located in Zone D (areas in which flood hazards are undetermined). The third parcel (TMK: 9-1-12: por. 23) is located in Zone A (special flood hazard areas inundated by 100-year flood, with no base flood elevations determined) and Zone AE (Special flood hazard areas inundated by 100-year flood, with base flood elevations of 8 feet above mean sea level).

24. Petitioner is the fee owner of the 403.008 acres of land in the Petition Area as well as all of the land in Phase I of the proposed Ewa Marina Project.

25. According to Petitioner's Exhibits S-1 and S-2, the Limited Warranty Deeds ("Deeds") for the Petition Area, all subsurface waters and water rights of the properties are owned by Campbell Estate. The Deeds indicate that the Petition Area is leased to OSCO until 1995. Petitioner, however, has the right to terminate the lease prior to 1995.

26. In conjunction with the operation of the Honouliuli Sewage Treatment Plant, the City has a 50-foot wide easement for a sewage outfall which passes through the Petition Area.

27. Approximately 100 acres of the western portion Petition Area, adjacent to NASBP, is subject to a restrictive

easement in favor of the United States Government. Said easement imposes the following restrictions on the use of the 100-acre area:

- a. No residential uses;
- b. No hotels or transient lodging;
- c. No manufacturing, storage, handling or distribution of explosives, petrochemicals or petroleum products, with certain exceptions;
- d. No outdoor music shells or amphitheaters; and
- e. No schools, hospitals or nursing facilities, or sports stadiums.

(With sound attenuation of 25 dB, land uses which may be allowed in the restricted easement area include cultural activities, including churches, auditoriums and concert halls.)

PETITIONER'S PROPOSED USE OF THE PETITION AREA

Development History and Concept

28. Decision Analysts Hawaii, Inc. ("Decision Analysts"), the Petitioner's marketing consultant, prepared a marketing report entitled "Ewa Marina Community, Phase II: Development Concept, Market Demand and Benefit Assessment". According to this report, plans for the development of Ewa Marina have been under consideration for almost 35 years, having first been conceived by the Estate of James Campbell ("Campbell Estate") in the mid-1950's as part of Campbell Estate's long-range master plan for the development of most of the Ewa Plain, which it owned. Although Campbell Estate conveyed the development rights for Ewa Marina, but not the fee

interest in the land, to several previous developers, these previous developers were unable to make much progress because of financial difficulties. Between 1988 and 1990, Petitioner acquired all of the development rights and the fee interest in the approximately 1,100 acres of land that comprise Ewa Marina.

29. Petitioner's Development Director, Nelson Lee, testified that upon acquiring Ewa Marina, Petitioner reevaluated the feasibility of constructing 2,350 more homes in the Petition Area as the previous developer had planned. Petitioner determined that the new developments which are being built in or which are planned for the Ewa Plain area will create more traffic congestion and concluded that a more diverse use of the Petition Area would mitigate that trend. Petitioner also states that because of the restrictive easement in favor of the United States Government, Petitioner is prohibited from constructing residential or other noise-sensitive facilities on approximately 100 acres of land, comprising approximately 25% of the total Petition Area. Furthermore, Petitioner indicates that the fact that Ewa Marina is situated in the path of a natural storm run-off system dictates that open space remains along the mauka boundary of the project and also in an area 400 to 600 feet wide through the Petition Area.

30. Mr. Lee testified that after considering the factors mentioned above, Petitioner decided not to build more homes in the Petition Area. Instead, Petitioner decided to

construct an employment and commercial center which would be complementary to Phase I.

31. According to Petitioner and its marketing consultant, Phase I and Phase II of Ewa Marina, as now planned, are intended to be separate and distinct in concept, yet strongly complementary to each other. Phase I will be a master-planned, recreation-oriented residential community containing 4,850 housing units which will be built around a major, man-made marina containing 1,600 boat slips. Phase II, the Petition Area, will be a commercial, employment and recreation center containing specialty and garden suite hotels, a conference center, an international fitness and conditioning center and related commercial and recreational facilities, including a 27-hole golf course and a championship tennis complex, all of which will provide significant employment opportunities for residents of Phase I and outlying areas. Combined, Phase I and Phase II will be a harmoniously integrated residential/recreational/commercial community of over 1,100 acres with a greenbelt pathway system extending throughout and connecting the residential, commercial and recreational elements of the Ewa Marina Project.

Phase I

32. Phase I, containing approximately 700 acres of land, is already classified for urban use and is not the subject of this Petition. It will house approximately 4,850 families in a wide variety of homes, including affordable,

mid-rise apartments, townhouses, moderately-priced, single-family homes, and luxury homes fronting the ocean, the marina and the golf course. These homes, which will fall within a range of building densities, will be arranged in attractive settings and a network of heavily landscaped roads and pedestrian and bicycle paths. The pathway system will be laced throughout the project and will connect all residential, commercial and recreational aspects of Ewa Marina.

33. The marketing report states that the main physical attraction of Phase I will be a recreational marina of approximately 150 acres. It will accommodate 1,600 boat slips; 1,000 slips in two large basins, with the remaining 600 slips dispersed along the waterway system. The marina will be professionally managed by a harbor master and appropriate water-traffic and security personnel. Although it will be privately owned, its waterways, many of the boat slips, the boat ramps, support facilities and rental craft will be available for use by the general public. The marina will be the largest in the State and will help satisfy the unmet demand for berthing facilities on Oahu. It is also expected to contribute to the growth of a boating industry in Hawaii.

Phase II, the Mixed-Use Commercial Complex

34. According to the marketing report, Phase II, the Petition Area, will be a mixed-use commercial complex consisting of specialty hotels, an international fitness and conditioning center, a championship golf course, a championship

tennis complex and various retail shops, restaurants and professional offices. All of these facilities will offer significant employment opportunities to the residents of Phase I and those of nearby communities.

35. The Petition Area will include the following land uses:

<u>Land Uses</u>	<u>Subject Property</u>
I. Commercial (Mixed Uses)	87.0 ac
Hotels (approx. 500 hotel units)	26.3 ac
Condo/Hotels (approx. 600 Garden Suites)	24.0 ac
International Fitness Promotion Center (Incl. accommodations for approx. 400 units)	18.8 ac
Tennis and Yacht Club	10.0 ac
Retail/Restaurants/ Marine Service Center	8.0 ac
Common Area Amenity	6.3 ac
Roads, Streets, Utilities	20.7 ac
Parks	17.0 ac
Golf Course	<u>272.0 ac</u>
	<u>403.0 ac</u>

(Source: Petitioner's Exhibit QQ, "Land Uses.")

Visitor Accommodations

36. The marketing report indicates that the visitor accommodation section of the commercial complex will consist of several specialty hotels and several condo/hotels. They will offer the primary source of employment in the Phase II

development and will be designed and marketed on the related themes of (i) recreation, including boating, golf, tennis and other outdoor activities, (ii) fitness and conditioning and (iii) as a corporate retreat. Guests of Ewa Marina will have access to amenities such as an exhibition center, the marina, the golf course, the championship tennis complex and other outdoor recreational facilities. A nearby commercial center will contain a variety of shops, restaurants, professional offices and a marine service center.

37. Petitioner proposes to construct approximately 500 standard hotel rooms, primarily for the use of visitors to the Marina, approximately 600 condominium units which would be offered for sale as second homes or corporate retreats and which also may be used as hotel accommodations, and approximately 400 rooms designed to accommodate visitors to the health and fitness center.

Exhibition Center and Conference Facilities

38. An 8,000-square-foot exhibition center and related conference facilities will be part of the visitor complex and will enhance its appeal to the corporate and conference markets. These facilities will also be available to Ewa residents and businesses for community functions.

Golf Course

39. The Decision Analysts study reports that the Petitioner proposes to build a 27-hole golf course, with an accompanying clubhouse of approximately 20,000 square feet.

This is one of the few uses permitted in the easement area. The golf course will be located along the western and northern boundaries of the subject property, adjacent to the NASBP, and will be an integral part of the flood control system for Ewa Marina. Portions of the golf course will serve as a channel and buffer for the storm run-off which occasionally flows from the Waianae mountain range and inundates a large part of the Petition Area. To handle the storm run-off, a strip of land between 400 and 600 feet wide will be dedicated to open space to allow the storm waters to be channeled towards and to eventually drain into the marina. The golf course will also serve as a noise buffer between Ewa Marina and NASBP and, additionally, it will also shield Ewa Marina residents from the noise, dust, smoke and chemical contaminants associated with the sugarcane growing and harvesting operations in nearby areas.

40. According to Petitioner, the golf course will be available for use primarily by hotel guests and residents of Ewa Marina.

Championship Tennis Complex

41. Petitioner represents that a championship tennis complex, containing tennis courts and a clubhouse approximately 18,000 square feet in size will also be built. This is another one of the limited activities allowed in the easement area. Like the golf course, it will enhance the appeal of the community and add to the variety of recreational activities

which will be available to the residents and visitors of Ewa Marina.

Commercial Center

42. A commercial center with a variety of retail shops, professional offices, theme restaurants and a marine service center will be located next to the marina and the visitor accommodations. It will contain approximately 100,000 square feet of space with most of the restaurants and retail shops located along a harbor-front esplanade. Petitioner's marketing consultant asserts that the center, as designed, will provide an attractive setting for the retail operations and will be conveniently located for easy access by residents, boaters and visitors. A yacht club for residents of Ewa Marina and other nearby communities will also be incorporated as part of the center. It will host a variety of boating events and functions, including yacht races, fun sails, annual boat parades and youth learn-to-sail programs.

International Fitness Promotion Center

43. Petitioner envisions its International Fitness Promotion Center ("IFPC") to be one of the first of its kind in Hawaii. According to the marketing report, it will be a full-featured fitness and conditioning center with programs and facilities similar in concept to spas and fitness centers located in Europe and on the mainland. The IFPC's distinguishing features will be that it will focus on more than just overweight clientele and that it will be directed toward

the corporate market. The IFPC, which will contain approximately 60,000 square feet, will include, among other facilities, aerobics and exercise studios, fully equipped weight rooms, racquetball, handball and other similar courts, swimming pools and a health-food restaurant. Guests at the IFPC will be enrolled in programs ranging from seven to fourteen days in length and will be assisted by professionals who will provide individualized fitness and conditioning assessments, counseling, education and training. Because the IFPC will not provide acute health-care services, a Certificate of Need from the Department of Health is not required. If acute care is requested or required by a guest, nearby clinics or hospitals are available.

Height Limitations

44. Consistent with its plans to develop a commercial center in Ewa Marina, Petitioner proposes that height limits of up to 150 feet from ground level (up to 183 feet from mean sea level) be allowed for the structures in the Petition Area. From an aesthetic point of view, this will allow for a greater contrast in building forms over the virtually flat project site. This 150-foot height limitation from ground level (183 feet from mean sea level), which Petitioner will voluntarily adhere to, is below the operational air space requirement of the adjoining NASBP and will not interfere with any scenic view plane with respect to neighboring properties.

45. Mr. Lee testified that none of the facilities to be constructed in the Petition area will exceed 150 feet in height or 183 feet above mean sea level, which is well below the operational air space requirement for the NASBP.

Excavation and Grading

46. Petitioner's planning and engineering consultant, Belt Collins & Associates, prepared a engineering report for the Petition Area. According to the Belt Collins report, a substantial amount of soil will be excavated when the marina is constructed in the Phase I area. Petitioner intends to use the excavated material to raise the elevation of the land surrounding the marina, including the golf course in the Petition Area.

47. The engineering report states that the golf course grading scheme calls for berms to be built on the mauka portion of the Petition Area in such a way as to channel water from the mauka lands onto the golf course and thereafter into the marina.

DEVELOPMENT TIMETABLE AND COSTS OF INFRASTRUCTURE

48. Mr. Lee testified that the Petitioner proposes to develop the mixed-use commercial complex in the Petition Area over a twelve-year period. Prior to that, and during the initial five years after final county zoning approval, Petitioner intends to complete all of the infrastructure for both the Petition Area and Phase I simultaneously. During this initial five years, Petitioner plans to develop adequate water

sources, complete the drainage system and install the roadways and the water, sewer and other utility lines and/or facilities for the entire Ewa Marina Project. Petitioner intends to commence the construction of the major building components planned for the Petition Area after all of the infrastructure is completed.

49. According to Mr. Lee, the infrastructure and the cost thereof which will be built in the Petition Area prior to the construction of any other improvements are as follows:

Golf Course and Clubhouse	\$25.0 million
Water System	5.0 million
Drainage System	5.0 million
Major Roadways and Utilities	11.0 million
Landscaping, Parks and Miscellaneous	<u>4.0 million</u>
TOTAL:	\$50.0 million

NEED FOR THE PROPOSED DEVELOPMENT

50. Mr. Lee testified that Petitioner's decision to forgo building more homes was strongly influenced by the cost of the marina. Petitioner recognized that development of the marina in Phase I is part of the overall drainage scheme for other developments in the area, including Ewa Gentry and Kapolei Villages. Petitioner believes, however, that the marina will be an expensive undertaking which cannot be economically supported by the 4,850 housing units planned for Phase I alone. Petitioner contends that in order for the Ewa

Marina Project to be built, development of the visitor and commercial center which is planned for the Petition Area is necessary.

Demand For the Visitor-Accommodation Units

51. According to Petitioner's marketing consultant, the demand for the estimated 1,500 visitor accommodation units which ultimately will be built in the Petition Area is expected to be great. This conclusion is suggested by the combination of Oahu's consistently high hotel room occupancy rates and the unique attractions which Ewa Marina will offer. Accordingly, the specialty and garden suite hotels proposed for Phase II will fill a definite need.

52. Petitioner's marketing consultant states that the Ewa Marina Project, containing a major marina, a championship golf course, and a championship tennis complex, in addition to the International Fitness Promotion Center, will offer visitors to Hawaii an attractive alternative to the congested Waikiki area. Petitioner's consultant also testified that, especially on Oahu, tourism for Hawaii is strong and will continue to be strong in the foreseeable future and that the Ewa Marina Project will benefit by this trend.

53. Mr. Lee testified that the hotel rooms will be moderately priced as Petitioner does not intend to develop luxury hotels such as those in the new Ko Olina Resort development. Instead, Petitioner expects that its hotel room rates will be similar to mid-range rates at Waikiki hotels.

Demand For Commercial Center

54. Petitioner's marketing consultant expects a great demand for the commercial center and to actually exceed the 100,000 square feet which will be allocated for commercial and retail activities.

Demand For Recreational Facilities

55. Petitioner also retained as an economic consultant, Decisions Analysts, who indicates that a large demand for the 27-hole championship golf course should be expected. A recent study conducted by the University of Hawaii shows that Oahu will need an additional thirty-one golf courses by the end of the year 2000.

56. On the basis of anticipated usage by hotel guests as well as Ewa Marina residents, Petitioner also expects a high demand for the tennis complex.

57. Petitioner's economic consultant also testified that demand for the yacht club will be strong because of the pent-up demand for berthing spaces in the State of Hawaii. Moreover, said consultant testified that the 1,600 boat slips which will be provided in the Phase I Marina will automatically generate the need for the new yacht club.

58. According to Petitioner's economic consultant, the market for programs and facilities such as those which the IFPC will be able to offer is growing as a result of major demographic, medical and social trends. As the population of the United States gradually ages, resources are being

reallocated to match the needs of this older population. That, combined with rising medical costs and an increasing awareness of the need for fitness and health management by individuals, has increased the interest in and demand for the type of programs and facilities which Petitioner's IFPC will offer.

59. Petitioner's economic consultant for the health and fitness center states that the aging population in the United States and the rest of the world and the rising cost of medical care indicate the need for the center.

60. Petitioner expects corporations and individuals interested in reducing the cost of future medical care to enroll in the programs which the health and fitness center will offer in order to develop proper exercise and dietary habits.

PETITIONER'S FINANCIAL CAPABILITY
TO UNDERTAKE THE PROPOSED DEVELOPMENT

61. Petitioner is a wholly-owned subsidiary of Haseko Corporation, a Japan Corporation, whose assets, liabilities and stockholders' equity, as of March 31, 1989, totaled \$7,134,492,000, \$5,541,712,000, and \$1,592,780,000, respectively. Whereas Petitioner's audited balance sheet for the period ending March 31, 1989, indicates that Petitioner had total assets of \$147,592,574, liabilities of \$117,477,433 and stockholders' equity of \$30,115,141. Petitioner also has an existing line of credit of \$173,000,000 from Haseko Corporation for its Hawaii operations.

62. Mr. Lee believes the Petitioner has the financial and operational capabilities to develop the Petition Area simultaneously with Petitioner's other ongoing projects in Hawaii.

63. As shown in the financial statements, the real estate which Petitioner owns in Hawaii is shown on its financial statement at the lower of cost or net realizable value. However, Petitioner states that the actual market value of its real estate holdings is significantly greater than shown on its financial statement.

STATE AND COUNTY LAND PLANS AND PROGRAMS

64. The Petition Area is currently designated in the State Land Use Agricultural District as reflected on the State Land Use District Map 0-6, Ewa and 0-10, Puuloa.

65. The City's General Plan indicates that a secondary urban center should be developed in the Ewa Plain area in order to accommodate approximately 12 to 13.3 percent of Oahu's total population by the year 2010.

66. The Petition Area is currently zoned by the City as General Agriculture (AG-2) and General Preservation (P-2) and is designated as Agriculture by the Ewa Development Plan.

67. The Petition Area is located within the Coastal Zone Management Area but is not located within the City's Special Management Area as defined in Chapter 205A, HRS.

IMPACT OF THE DEVELOPMENT ON PUBLIC SERVICES AND FACILITIES

Drainage Facilities

68. According to the Belt Collins engineering report, the Petition Area is located within the Kaloi Drainage Basin, a 7.8 square mile watershed. Surface waters flow through Kaloi Gulch and towards the shoreline. Approximately midway through the Phase I area, the Kaloi Gulch ends and surface water sheet flows across the remaining land to the ocean.

69. Potentially, storm run-off into the Petition Area may be as much as 10,400 cubic feet of water per second and Kaloi Gulch, which was constructed by OSCO many years ago, is inadequate to handle current day peak discharges of flow.

70. According to Petitioner, the marina in Phase I will function as the receiver and conduit to the ocean of surface water from the Ewa Marina Project and from other developments in the drainage basin.

71. According to Petitioner, portions of the proposed golf course will be designed and contoured to serve as a retention area and as a desilting basin which will channel the storm waters into the marina. The affected area of the golf course utilized in this manner is 400 to 600 feet wide.

72. Petitioner's engineering expert, Mr. Joseph Vierra, testified that the development of the Petition Area will not divert or alter the natural flow of stormwaters in the area or obstruct the existing flow pattern, and that runoff to NASBP will not be increased.

Roadway Facilities

73. According to Petitioner's traffic consultant, Fort Weaver Road is currently the only north-south road affording ingress and egress to the Petition Area. Fort Weaver Road is a 4-lane, divided highway from its intersection with Farrington Highway south to Hanakahi Road. From that point southward to Ewa Beach, it is a 2-lane rural road. The Traffic Impact Assessment report states that this southern section is scheduled for widening to 4 lanes in 1990. The Kunia Interchange provides access to the H-1 Freeway from Fort Weaver Road.

74. According to Petitioner, the proposed north-south road would provide the main access to the proposed Ewa Marina, Phase II project (the Petition Area) after the new north-south road is completed.

75. According to Petitioner's traffic consultant, development of the Petition Area will not have a significant impact on Fort Weaver Road or the Kunia Interchange since most of the visitors to the Petition Area will not be utilizing these facilities during peak hours.

76. Petitioner's traffic consultant states that development of the Petition Area in accordance with Petitioner's plans will actually alleviate traffic congestion in the Ewa area because the mixed-use commercial complex will provide significant employment opportunities to the area's

residents, thereby eliminating the need for these residents to commute into Honolulu.

77. Ronald Tsuzuki, Head Planning Engineer with the Highways Division, Department of Transportation (DOT), State of Hawaii, submitted written testimony on behalf of the Highways Division, DOT. His testimony covered three main items: existing traffic problems in the area; concerns about the proposed project and how it will effect existing traffic conditions; and measures necessary to mitigate some of the problems that will occur as a result of the project.

78. Mr. Tsuzuki testified that Fort Weaver Road, which currently provides access to the Petition Area and forms its eastern boundary, is the only connection between Ewa Beach and the H-1 Freeway. He indicated that over the last few years, DOT has been widening Fort Weaver Road and plans are being completed to widen the last segment nearest Ewa Beach. He testified that, unfortunately, DOT's plans for Fort Weaver Road did not envision nor include the amount of development that is now being proposed for the Ewa region and DOT is concerned about the capacity of Fort Weaver Road to handle all of the traffic if all of the proposed developments are completed.

79. Mr. Tsuzuki testified that one of the current problem areas is the Kunia Interchange where Fort Weaver Road/Kunia Road intersects the H-1 Freeway. Currently, the on-ramp toward Honolulu is congested and backs onto Fort Weaver

Road because of the traffic coming up from Ewa Beach and parts of Waipahu. While DOT is currently looking into ways to improve this on-ramp, the conditions will deteriorate as more homes are built in the Ewa area.

80. Mr. Tsuzuki testified that one of the key improvements that will be needed is a new north-south road which would originate from the proposed Ewa Marina community and follow an alignment somewhat parallel to Fort Weaver Road with connection to the H-1 Freeway. He states that it is imperative that the new north-south road be built to coincide with the construction and occupancy of major new projects at Ewa Gentry, Ewa Marina, and other Ewa locations which will generate traffic that will utilize the north-south road. He noted that this new roadway will also require a new interchange at H-1 with free access, free movement without traffic signals, similar to other interchanges along the H-1 Freeway.

81. Mr. Tsuzuki also testified that another key improvement will be the construction of an east-west road connecting the north-south road with the new Kapolei Town Center area. This roadway, known as the Kapolei Parkway, is reflected in the master plan for Ewa and is an integral part of the effort to reduce traffic into Honolulu.

82. Mr. Tsuzuki noted that funding for these major roadways will be required from a number of sources, including private developers, but that at present, there is no real commitment of funds or a timetable for implementation.

83. According to Mr. Tsuzuki, DOT recommends that the Petitioner contribute its fair share of both on-site and off-site transportation improvements caused by its development. Specifically, DOT recommends that the following conditions be imposed on Petitioner should the Petition be approved:

- a. Petitioner shall participate in the funding and construction of transportation improvements at project access points as identified by the State Department of Transportation. The Petitioner shall also participate in the funding and construction of other on-site and off-site transportation improvements necessitated by the proposed development and in designs and schedules accepted by and coordinated with the State Department of Transportation, provided that the extent of the Petitioner's participation shall not exceed its share of the increased community traffic impacts in the region and, provided further that, in the event the City adopts an impact fee for transportation improvements, the foregoing requirements shall not include or double-count the cost of any specific traffic improvements which may also be included in the City's impact fee computation. Such improvements shall include, but not be limited to, the

Petitioner's share of Fort Weaver Road, the proposed north-south road and its interchange to the H-1 Freeway, and the Kapolei Parkway.

- b. Petitioner shall appoint a 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 formulation, use, and continuation of alternative transportation opportunities that would optimize the use of existing and proposed transportation systems.

84. Mr. Tsuzuki testified that DOT finds that these conditions are necessary in spite of the work that is ongoing to formulate a Transportation Master Plan for Ewa and that the conditions are comparable to conditions imposed on the Ewa Gentry petition (LUC Docket No. A88-627/Gentry Development Company).

85. Petitioner represents that although it believes its proposed mixed-use commercial complex will not unduly burden the existing transportation facilities, it will contribute with all adjoining landowners and developers, on a fair share basis, the cost of constructing such new

transportation facilities as will be necessary to mitigate the impact of its development. This will include its share of the cost of a new north-south corridor and improvements to Fort Weaver Road, the Kunia Interchange, and the Kapolei Parkway.

Water System

86. The engineering report entitled "Underground Infrastructure" makes clear that the Ewa Marina Project is located within the Waianae District of the Board of Water Supply ("BWS") water system.

87. According to Petitioner's engineering consultants, existing BWS infrastructure in the area includes a 30-inch water main running along Farrington Highway between Waipahu and the Barbers Point 215-foot storage system and a 16-inch transmission main which branches off the 30-inch Farrington Highway main and runs the length of Fort Weaver Road to supply Honouliuli, Ewa Beach and Ewa Village with water.

88. Currently, a variety of pipeline installations, including a 36-inch main under Fort Weaver Road, water reservoirs, wells and pumping systems are near completion. These developments are being coordinated by the Ewa Plain Water Development Corporation ("EPWDC"), which is constructing new water facilities and developing new water sources for the Ewa Region. Petitioner is a member of EPWDC and has already contributed over \$10.0 million towards the development of the new system.

89. According to Petitioner's engineering consultant, the potable water demands for Phase I and the Petition Area would have been 3.2937 million gallons per day (mgd) if the 4,850 residential units for Phase I and the previously proposed 2,350 residential units for the Petition Area are built. Petitioner's present proposal is for approximately 1,500 visitor units and a golf clubhouse for the Petition Area. The elimination of 850 residential units corresponds to a reduction in the demand for potable water of almost 300,000 gallons per day. Thus, upon completion, the Petition Area's demand for potable water will be approximately 750,000 gallons per day.

90. According to Petitioner's engineering consultant, demand for non-potable water will be 1.23 mgd. In contrast, the previous developer of the Petition Area projected a demand of 0.7733 mgd for the 2,350 residential units which were planned. The difference between the two amounts is attributable to the golf course which is now planned for the Petition Area.

91. Although demand for non-potable water has increased under Petitioner's proposed usage, development of the Petition Area will actually bring about a net reduction in the demand for non-potable water by almost 5.0 mgd with the withdrawal of sugarcane from the Petition Area.

92. According to OSP, the Board of Water Supply ("BWS") supports the use of non-potable water for golf course irrigation. BWS states that the Petitioner should submit a

water master plan for review and approval. In addition, BWS states that Petitioner should be required to coordinate the water requirements for the proposed development with the EPWDC.

Sewer System

93. Petitioner's engineering consultant predicts that development of the Petition Area will generate about 0.5 mgd of wastewater. The Honouliuli Sewage Treatment Plant, operated by the City, is located mauka of the Petition Area and is expected to be the means by which wastewater from the Petition Area will be disposed.

94. Petitioner's engineering report shows that an existing 84-inch sewer main is located within Geiger Road and Iroquois Road mauka of the Project. A lift station located immediately makai of the Project within Papipi Road has the capacity to serve a portion of Phase I of the Ewa Marina Project. A new sewer main will be installed by Petitioner to handle the balance of the load generated by Ewa Marina.

95. According to the engineering report, the Honouliuli Wastewater Treatment Plant presently has a capacity of handling 25 mgd of wastewater. This is believed to be insufficient to handle the wastewater which will be generated by the Petition Area as well as other developments in the area. It is expected, however, that capacity at the plant will be increased to 38 mgd by 1993.

96. Nelson Lee and Petitioner's engineering consultant testified that Petitioner has adequate plans to

mitigate additional levels of odors which could result from the construction of an on-site, secondary sewer treatment facility, if such a facility is permitted by the Department of Health (DOH).

Solid Waste Disposal

97. The Petition Area is expected to generate approximately nine tons of solid waste per day which will be handled by a private refuse company.

98. Petitioner proposes to have the waste disposed of at the Kalaheo Landfill in Kailua, the Waimanalo Gulch Landfill near Kahe Power Plant or the Waipahu Incinerator.

99. Additional solid waste disposal sites are available at the H-Power cogeneration plant near Campbell Industrial Park.

Schools and Child Care Facilities

100. Earthplan, along with independent contractor Michael P. Mays, prepared a Social Impact Assessment for the Petitioner. The study concluded that since the Petition Area will not house permanent residents, it will create no impact on existing or proposed educational facilities in the area. Any unforeseen need can be met by existing and planned public schools.

101. However, Petitioner's social impact consultant determined that development of the Petition Area may create a demand for child care facilities as a result of the large number of jobs which are expected to be created. Although the

actual demand for such facilities cannot be estimated, Petitioner states in its Petition that it intends to provide on-site child care facilities in the commercial complex if the need arises.

102. According to Petitioner's social impact consultant, day care centers already existing in or planned for the area will be available to satisfy child care needs which may arise before facilities are provided in the Petition Area. Child care facilities are or will be located in the planned Royal Kunia, West Loch, Ko Olina and Kapolei projects.

Parks

103. According to Petitioner's marketing consultant, the major park facility which will be available for Ewa Marina will be the City's 30-acre Oneula Beach Park. In addition to Oneula Beach Park, smaller parks and playgrounds, including the approximately 17-acre Gateway Park planned for Phase I, will be scattered throughout the Ewa Marina Project.

104. Parks will also be available in nearby developments such as Ewa Gentry, Ewa Beach, Ewa Villages, Ko Olina, Kapolei Village, West Loch, Makakilo and a nearby park near the Naval Air Station.

105. Petitioner states that, in conjunction with obtaining necessary City permits and approvals for its proposed development, it is willing to provide community benefits such as a gymnasium, a swimming pool and other park facilities in the 17-acre Gateway Park.

Police Protection

106. Petitioner's social impact consultant affirms that police from the Pearl City police station regularly patrol the area which includes the Petition Area.

107. The report adds that in order to meet the demand for police protection which the new developments in the region will require, the City will add a new police station in nearby Kapolei and will designate Ewa as a new police district.

Fire Protection

108. According to the Social Impact Assessment, the City plans to relocate the existing Ewa Beach fire station onto the Petition Area. When this is done, adequate fire protection will be available.

109. In addition to the above, the existing fire stations at Makakilo and Waipahu and the planned stations at Tenney Village, Kapolei, and Ko Olina will be available to provide backup services.

Medical and Emergency Services

110. According to Petitioner's consultant, routine and emergency medical services will be available at three nearby hospitals. They are Kaiser Foundation Hospital in Moanalua, Pali Momi Medical Center in Aiea, and St. Francis Hospital-West, which is being built north of the Petition Area.

111. City ambulance services are also available from the Waipahu and Makakilo fire stations.

112. Furthermore, medical clinics and doctor's offices already exist in parts of Ewa, and the number of these clinics and doctor's offices are expected to grow as the population in the region increases.

Electricity and Telephone Services

113. Petitioner's consultant affirms that Hawaiian Electric Company ("HECO") will provide electrical power to the Petition Area.

114. According to the engineering report entitled "Underground Infrastructure", HECO will be constructing a new substation to meet the new demands which Ewa Marina and other developments in the area will generate and to supplement the service already being provided by the Ewa and the Honouliuli substations which are located mauka of the Petition Area.

115. HECO also proposes to locate its future Waiiau-CEIP 138KV line a short distance mauka of the Petition Area.

116. The engineering report adds that Hawaiian Telephone Company will provide telephone services to the Petition Area through existing lines along Fort Weaver Road and through underground lines in the project area.

IMPACT OF THE PROPOSED DEVELOPMENT

Economic Impact

Employment

117. According to Petitioner's marketing consultant, development of the Petition Area, with its visitor

accommodations, fitness and conditioning center, retail shops, restaurants, golf course and tennis complex and other related activities, is expected to generate over 2,000 on-site jobs. In contrast, fewer than 30 sugarcane production jobs will be eliminated by developing the subject property.

118. Petitioner states that a variety of jobs will be created, ranging from entry level employment to management positions, as well as those requiring skilled and semi-skilled personnel. Petitioner states that the hotel and restaurant operations will require front desk, accounting, maintenance, grounds keeping, management, and other service personnel typical of those operations; that the fitness and conditioning center will require psychologists and counselors, as well as administrative, accounting and marketing personnel; and that the golf course and tennis complexes, too, will have positions available for professional and non-professional personnel typical of those operations.

State and County Revenues

119. Petitioner's consultant, Decision Analysts, predicts that the State and County will experience a substantial increase in revenue as a result of the development of the Petition Area. Property tax revenue from sugar operations presently generates less than \$7,000 per year and revenue for the State has been negligible because sugar is exempt from excise taxes and because OSCO's operations have only been marginally profitable.

120. In contrast, development of the Petition Area in accordance with Petitioner's proposal will generate \$500,000.00 in rollback taxes and a substantial increase in property tax revenues since the subject property and improvements will have a much higher value.

121. Petitioner's consultant, Decision Analysts, estimates that after full development, property taxes generated from the Petition Area and other taxes on the commercial operations will amount to approximately \$4.2 million a year in revenue to the City.

122. Furthermore, the State will gain considerable revenue from excise taxes which will be collected on the cost of constructing the Petition Area and the taxes which will be imposed on the various commercial operations after the development is completed.

123. Petitioner's Exhibit E indicates that the excise tax associated with construction expenditures will amount to \$14.9 million and, after full development, the various commercial activities in the Petition Area are expected to generate approximately \$9.7 million annually in State tax revenues.

124. State and City revenues which will be generated by the development of the Petition Area will exceed State and City expenditures in connection with the development.

Agriculture

125. Decision Analysts Hawaii, Inc. prepared a report on the development's agricultural impact, which states that the immediate effect of developing the Petition Area will be a reduction in the amount of land available to OSCO for its sugar production. With the withdrawal of the Petition Area, OSCO's sugar plantation will become more compact. However, because the Petition Area is located on the outskirts of the plantation, OSCO's irrigation system and the cane haul roads which are needed to operate the remainder of the plantation will not be affected.

126. Petitioner's Exhibit K, "Impact on Agriculture", indicates that the long-term future of OSCO will remain uncertain whether Petitioner develops the Petition Area or not. This is attributable to flat sugar prices which are combined with operating costs that increase with inflation, the uncertainty of continued federal price supports, and the fact that all of OSCO's leases will expire by the mid-1990s.

127. According to the State Department of Agriculture ("DOA"), in the long run, the significant impact on OSCO will be that cultivable acreage available to OSCO after full development of the planned and proposed projects (about 7,700 acres) will be far below the minimum acreage needed to remain economically viable in a single-mill operation and much less than the acreage required for the present double-mill configuration. Annual sugar yields (expressed in tons of sugar

per acre or TSA) would have to increase by about 47 percent over the 1988 OSC average yield (13.16 TSA) to about 19.4 TSA for the 7,700 acres to produce the 67,500 tons of raw sugar required of a single-mill operation (based on the harvestable acreage assumption of Petitioner's Exhibit K, Table 3).

Diversified Agriculture

128. According to Petitioner's consultant, Decision Analysts, the redistricting of the Petition Area will not adversely affect diversified agriculture. The reasons, as indicated in Petitioner's Exhibit K, are as follows:

(i) extensive amounts of prime-agricultural lands and water sources have already been freed in other parts of Oahu from sugarcane and pineapple production, thereby making those other lands available for diversified agriculture, (ii) there is a probability that even more lands and water will be freed from sugarcane production due to the marginal profitability of sugar, (iii) most sugar producers would make their lands available for more profitable replacement crops, to the extent that such other crops become available; and (iv) only a small amount of land and water is required to grow those crops which do have a realistic potential for being economically feasible.

129. Petitioner represents that given, that the supply of available agricultural lands greatly exceeds the demand, the development of the 403.008 acres in the Petition Area will not hinder the growth of diversified agriculture in Hawaii.

130. In response, DOA states that "the additional acreage required on Oahu for diversified crops by 1995 (including export crops) is closer to 5,100 acres, based on the LESA report. The LESA Commission purposefully took a more optimistic and broad view of the future of diversified agriculture in Hawaii than does the Petitioner. In the determination and protection of 'important agricultural lands,' it is the State's duty to assure the availability of agriculturally suitable lands. Therefore, it is appropriate that the State take a conservative, long-range view and maintain what appears to be a surplus of productive lands and protect them for agriculture. Incremental losses of a resource like arable lands, if left uncontrolled, will have a devastating and irreversible cumulative effect on the viability of agriculture, and in particular, Oahu Sugar Company. Once agricultural lands are urbanized there is no return. This cannot be overemphasized."

Environmental Impact

Water Quality

131. Petitioner's golf course, which will be located on the majority of the Petition Area, will be maintained with various fertilizers and pesticides.

132. According to the State Department of Health ("DOH"), the proposed development is situated mauka of the DOH's Underground Injection Control ("UIC") line. Land areas located above the UIC line are generally considered to contain

underground sources of drinking water. DOH maps indicate that there is a domestic water well less than 1/2 mile from the Petition Area (State well no. 1901-02.) DOH states that Petitioner should ensure that operation of the non-potable water wells for the Petition Area does not adversely affect the quality of this or any other drinking water wells, especially with respect to chlorides and salinity.

133. The DOH identifies certain activities associated with the proposed golf course which may contribute to groundwater contamination. Some of the activities of concern include:

- a. Application of biocides and fertilizers;
- b. Storage of fuel for vehicles; and
- c. Maintenance of vehicles and equipment (cleaning, refueling, lubrication, etc.).

134. If any of the above activities are planned, DOH states that mitigative measures to insure that groundwater contamination will not occur must be addressed. DOH also states that the application of biocides and fertilizers should not be allowed to adversely impact near shore coastal waters through surface runoff and/or percolation.

135. According to DOH, a groundwater monitoring plan should be established for the golf course. The plan should incorporate the use of monitoring wells, and other monitoring instruments, establish baseline groundwater quality, and have a

long-term groundwater sampling and testing schedule. The plan should be reviewed and approved by the DOH for its specifics.

136. OSP Exhibit 4, entitled "Eight (8) Conditions Applicable to This Golf Course Development", April, 1990, contains DOH's guidelines with respect to golf course developments.

137. Petitioner's herbicides and pesticides consultant states that with proper management of fertilizers and pesticides and appropriate irrigation practices, the chemicals used on the golf course will not adversely impact the quality of the groundwater or shoreline waters in the area. The consultant further states that even if water contamination were somehow to occur, the effect would be minimal because the groundwater aquifer beneath the Petition Area is brackish and, therefore, no negative impact would come from the leaching of any chemicals. Further, Petitioner's consultant indicates that if leaching were to occur, because of the dynamic groundwater flow toward the ocean, it is unlikely that contaminants would accumulate in the aquifer. Finally, Petitioner's consultant contends that any chemical contaminated that managed to reach the ocean would quickly be reduced to an undetectable level by the vigorous shoreline wave action.

138. According to Petitioner's herbicides and pesticides consultant, proper use of these chemicals will not have a negative impact on the environment.

139. Petitioner represents that it is willing to abide by the recommendations and guidelines of DOH.

Noise

140. Owen Miyamoto, Airports Administrator, testified on behalf of the Department of Transportation (DOT), State of Hawaii. According to Mr. Miyamoto, the proposed Ewa Marina Project, including the Petition Area, is currently subjected to overflights, noise, and other intrusions, associated with aircraft utilizing the runways of Honolulu International Airport (HIA) and the NASBP.

141. According to Mr. Miyamoto, the Ewa Marina Project is affected by aircraft approaching Runway 8 Left at HIA. Miyamoto, in his written testimony, states that HIA has four primary runways and 8 Left is one of the major runways. With the prevailing trade winds, this would be the primary landing path that an aircraft takes on approach to HIA. Normally, there are no takeoffs on 8 Left. The Department of Transportation of the State of Hawaii ("DOT") indicates that there are approximately 144 flights over the Petition Area per day for a total number of movements of 52,560 per year (based on 1989 data). This represents about thirteen percent of all movements at the airport.

142. According to the Petitioner's consultant, the existing combined (due to HIA and NASBP operations) day-night average sound level (Ldn) at the Petition Area is estimated to range from about 55 Ldn to over 70 Ldn. DOT anticipates that

the volume of aircraft traffic at HIA will increase in the future and that noise levels may also increase.

143. Intervenor's witness, Lieutenant Commander Andrew Scontras, Air Operations Officer at NASBP, testified that he is uncertain that whether the volume of traffic at NASBP would change in the future.

144. As indicated, the Petition Area is subject to the restrictions contained in Intervenor's Exhibit 1, a copy of Land Court Document No. 1685738. Petitioner represents that it will comply with the restrictive easement in favor of the United States Government and that it will not construct homes or other noise-sensitive improvements on the approximately 180 acres of land in the easement area. Further, Petitioner states that its use of the Petition Area will comply with standards recommended by the Environmental Protection Agency, the Department of Housing and Urban Development, the U.S. Navy, and the State Department of Transportation concerning exposure to aircraft and other sources of noise pollution, including noise generated by seasonal sugarcane harvesting and planting operations.

145. Intervenor, through its counsel, stated that the development as proposed is, with respect to the NASBP noise and accident environment, consistent with the agreement reached between the Navy and Campbell Estate regarding compatibility with aircraft operations.

146. DOT recommends four conditions of approval to prevent or minimize aircraft disruptions within the Petition Area. They are as follows:

- a. There shall be no residential or resort residential units within areas exposed to noise levels of 60 Ldn or greater;
- b. The Petitioner shall attenuate the noise in guest (living) suites and other noise sensitive areas within commercial or hotel/resort development areas exposed to a composite exterior noise level of 60 Ldn (day-night average sound level) by a minimum of 25 decibels (A-weighted);
- c. Petitioner shall grant to the State of Hawaii an avigation (right of flight) and noise easement in the form prescribed by the State Department of Transportation on any portion of the property subject to noise levels exceeding 55 Ldn; and
- d. Petitioner shall inform all prospective occupants of possible odor, air, noise, and dust pollution resulting from Fort Weaver Road, Barbers Point Naval Air Station, and Honolulu International Airport.

147. Petitioner's position with respect to DOT's proposed conditions are as follows:

- a. Petitioner contends that it should be subject to the same conditions imposed by the Commission on

the Ewa Gentry project (Docket No. A88-627/Gentry Development Company). That condition is that residential units, including condominium units, may be constructed in areas exposed to noise levels from 60 Ldn to 65 Ldn with implementation of sound attenuation measures.

- b. With respect to undertaking noise mitigation measures with respect to its proposed hotel and IFPC lodging units, Petitioner's position is that it should be required to undertake noise mitigation measures only with respect to hotel rooms and IFPC lodging units which are in areas exposed to noise levels of 65 Ldn or greater.
- c. Petitioner is willing to grant an avigation and noise easement to the State on any portion of the Petition Area subject to noise levels exceeding 60 Ldn, with the form of the easement to be mutually agreed upon by Petitioner and the State.
- d. Petitioner objects to DOT's proposed condition that noise sensitive areas in Petitioner's proposed hotels and IFPC be attenuated by 25 dB.

Air Quality

148. Petitioner's air quality consultant, J. W. Morrow, an environmental management expert, prepared a report on the impact of construction activities, pesticide use, agricultural burning, carbon monoxide levels associated with

vehicular traffic, and other aspects of Petitioner's proposed development on air quality.

149. Mr. Morrow indicates that the principal source of short-term air quality impact will be construction activity. Construction vehicles will increase automotive pollutant concentrations along the principal access roads in the vicinity of the Petition Area and will reduce the capacity of roadways and will lower average travel speeds. This, in turn, will contribute to additional air pollution emissions. Furthermore, site preparation, earth moving, building, and on-site road construction will create particulate emissions.

150. With respect to pesticide use on the golf course, Mr. Morrow's report indicates that the potential for significant airborne concentrations of pesticides is relatively slight when consideration is given to the dilution factor in application solutions plus the coarse spray that is normally used to assure adequate coverage in the desired area and avoidance of drift. However, should a user improperly apply these pesticides under wind conditions which would contribute to drift, then there would be an increased possibility of downwind exposure of property and people.

151. Mr. Morrow states that if proper procedures are followed in the application of pesticides to the golf course this should result in little adverse impact on air quality. Since pesticide particles do become airborne and disseminated when spraying occurs during high wind conditions, Mr. Morrow

recommends that spraying be done only when the weather permits and in the late afternoons or early morning hours when the golf course is not in use.

152. In conjunction with the preparation of his report, Mr. Morrow conducted air sampling at two roadway intersections during September 1989. The sampling indicates that the "worst case" estimates of maximum one-hour carbon monoxide concentrations at the Fort Weaver Road-Geiger Road intersection during the morning and afternoon peak hours will not exceed either state or federal standards with or without Petitioner's development of the Petition Area. Sampling at Kunia Road at the H-1 Freeway during the morning peak hour, however, indicates that State standards will be exceeded by 1998 with or without Petitioner's development of the Petition Area.

Wildlife

153. According to Petitioner's consultant, one of the practical effects of urbanization is the elimination of natural habitats for certain animals. However, because the Petition Area has been under cultivation for many years, few feral animals which would normally be found in the Petition Area are present. Thus, the development's impact on such animals will be minimal. There will, however, be a reduction in the present population of doves, finches and pacific golden plovers, but the number of sparrows and common mynahs is expected to increase.

154. With respect to birds which are found in the Petition Area, Petitioner's consultant states that they will not be affected by the fertilizers, herbicides and fungicides typically which will be used on the golf courses. The consultant states that the fertilizers, herbicides and fungicides are not a hazard to birds unless they are ingested in unusually large amounts, a situation that is not expected to occur.

Native Vegetation

155. Petitioner's botanical/environmental consultant, Winona P. Char, reports that since the Petition Area has been used for sugarcane cultivation for a number of years, it does not contain any endangered plant species or other plant species which are not found in abundance elsewhere. The land, therefore, is of little botanical interest and developing it will not have a negative impact on rare or endangered flora in the State.

156. Petitioner's consultant states that a small amount of coastal sandalwood, which is not a threatened or endangered species, is found in the uncultivated portion of the Petition Area.

157. Although the coastal sandalwood found on the property is not a threatened or endangered species, the State Department of Land and Natural Resources ("DLNR") recommends that they be saved either by incorporating them into the development plan or by replanting into a protected area.

Archaeological Resources

158. According to Petitioner's archaeology consultants, Hallett H. Hammatt, Ph.D and Paul H. Rosendahl, Ph.D, Inc., no surviving cultural features have been found in the Petition Area which has long been used for growing sugarcane. However, in the 20 acres of uncultivated land on the western side of the Petition Area, 2 archaeological sites have been found. These sites, T-80 and T-84, are assessed as significant solely for information content.

159. DLNR has not yet reviewed the survey of the 20-acre uncultivated site and has not yet confirmed the significance of the sites which were found.

Social Impact

Existing Population

160. According to Petitioner's social impact consultant, Berna Cabacungan, Ewa Beach, Ewa Villages, and Iroquois Point Puuloa Military Family Housing ("Iroquois Point") are located near the Petition Area. Ewa Beach and Ewa Villages are rural, residential communities, with slow-paced lifestyles. Iroquois Point houses a young community, consisting of military personnel and their families. Generally, residents of the Ewa region are younger than the rest of the island of Oahu.

161. Petitioner's social impact consultant states that in 1985, Ewa contained 10,628 jobs, with over half located at NASBP. In 1985, there were no hotel-related jobs, but with

the development of the Ko Olina Resort, that situation will be changing.

162. Petitioner's social impact consultant states that, as Ewa has been designated as a secondary urban core, with thousands of new homes and the Kapolei Town Center being developed, the existing characteristics of the nearby communities will change with or without the development of the Petition Area.

Housing

163. In developing the Petition Area into a major employment center, Petitioner recognizes that employee housing will be needed. Petitioner states that it is and will continue working with State and City officials, as well as private developers of already-approved housing projects in Ewa, to find a way to satisfy the need for employee housing. Petitioner states that it will also work with the State and City to provide assistance in meeting Hawaii's need for affordable housing.

RELATIONSHIP TO PUBLIC PLANS AND POLICIES

Conformance With Land Use Commission Rules

Urban District Standards

164. The Petition Area 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 Petition Area is in close proximity to centers of trading and employment and will create new

centers of trading and employment. In addition to the Petition Area's commercial uses, the Petition Area is in close proximity to existing and future employment centers in Ewa, Pearl City, Waipahu, Waipio and Wahiawa and several military installations including Pearl Harbor, Hickam Air Force Base and NASBP which provide additional job opportunities.

- b. Petitioner has established the need for its proposed mixed-use commercial complex and has demonstrated its capacity to financially undertake the development.
- c. The Petition Area is in proximity to existing basic services such as sewers, water, sanitation, schools, parks and police and fire protection. In addition, Petitioner proposes to provide on-site infrastructure for the Project with connections to existing and new infrastructure systems and Petitioner proposes to build a park with public facilities.
- d. The Petition Area is of satisfactory topography and drainage and reasonably free from the danger of floods, tsunami and unstable soil conditions and other adverse environmental effects. Petitioner will comply with all applicable state

and county requirements for flood control and drainage.

- e. The proposed development is consistent with the planned urbanization of the Ewa Plain as the General Plan of the City has designated the Ewa District for development as Oahu's secondary urban center.
- f. The Petition Area is contiguous to the Urban Land Use District on its northern and western boundaries and will not contribute toward scattered spot urban development necessitating unreasonable investment in public supported services.

Conformance with the Hawaii State Plan

165. The Hawaii State Planning Act, Hawaii Revised Statutes ("HRS"), Chapter 226 ("State Plan"), sets forth long-range goals, objectives, policies and priority guidelines designed for the betterment and development of the State. Its overall goal is to achieve a strong, viable economy and a desirable physical environment that will promote the physical, social and economic well-being of Hawaii's individuals, families and communities.

166. The Functional Plans, along with the County General Plans, are the primary means of implementing the State Plan. The Functional Plans set forth objectives, policies and programs to guide the State and County governments and the

private sector in implementing the State Plan. (H.R.S. Sec. 226-59 and 60.)

Economy and Visitor Industry

167. The Petition Area will create an employment and commercial center in the Ewa Plain which will benefit the visitor industry. This coincides with the State's policy to encourage labor-intensive activities, to provide steady employment for Hawaii's people as well as to diversify the Island's visitor market.

168. The State's policies regarding the economy are also met because State and City revenues generated by the development are expected to exceed expenditure incurred by the State and City in connection with the development.

Environmental Resources

169. Sections 226-11 to 13, HRS, contain guidelines for the protection of the environment. The Petition complies with these guidelines as Petitioner states that it will make certain that its development of the Petition Area will not destroy any rare or endangered plants or animals or archaeological sites. Petitioner also states that it will also take precautions to minimize air and water contamination and will maintain large open spaces that will combine to function as a natural drainage basin.

Solid and Liquid Waste Facilities

170. Petition complies with Section 226-15, HRS, as Petitioner is and will continue working with the City to

construct and dedicate to the City additional on-site and off-site sewer facilities that will sufficiently provide for the demands of the projected Ewa Marina population.

Water Facility Systems

171. Petitioner will comply with the guidelines of Section 226-16, HRS, by contributing to the development of a regional water system in the Ewa Plain, Petitioner will be furthering the State's objective to maximize the availability of water resources for domestic, commercial and recreational uses. Also, as the potable water consumption estimated for the Petition Area is equal to or less than the amount allocated to it under the 1987 Ewa Water Master Plan, Petitioner's proposal will be consistent with the State's policy of developing the Island in accordance with an area's existing and potential water supply.

Transportation Facilities

172. Petitioner will comply with the transportation guidelines of Section 226-17, HRS. Petitioner has planned an employment and commercial center which will decrease the number of residents who would otherwise need to travel outside of Ewa on Fort Weaver Road and the H-1 Freeway to seek employment elsewhere. Furthermore, to prepare for the expected growth in Ewa and the subsequent traffic problems which will be caused thereby, Petitioner has commenced discussions with State and City officials to determine how Petitioner may reasonably

contribute its fair share to bettering the existing roadway facilities in anticipation of said growth.

Leisure

173. Petitioner's development will comply with the objectives of Section 226-23, HRS, as the Petition Area will have a recreational orientation with a park, facilities for golf and tennis as well as an international fitness and conditioning center.

Economic Diversification

174. To achieve a better diversification and balance of Hawaii's economy, the Office of State Planning (OSP) contends that new employment opportunities outside of the visitor industry need to be created concurrently with the construction of additional hotel rooms. Since hotel and resort developments create substantial direct and indirect impacts and demands on public resources and facilities, as well as reduce opportunities for alternate uses of land and other resources, OSP states that it is appropriate and consistent with the mandate of Section 205-17, HRS, to recommend that the Land Use Commission require resort and hotel developers to take such actions as necessary which would help to diversify the State's economic base.

To further this objective, OSP recommends that Petitioner create the equivalent of one (1) new "non-tourism related job" outside the visitor industry for every hotel room to be developed in the Petition Area.

175. The State Plan generally provides that:
- Objectives and policies for the economy-in general. (a) Planning for the State's economy in general shall be directed toward achievement of the following objectives:
- (1) Increased and diversified employment opportunities to achieve full employment, increased income and job choice, and improved living standards for Hawaii's people.
 - (2) A growing and diversified economic base that is not overly dependent on a few industries
- Objectives and policies for the economy-visitor industry. (a) Planning for the State's economy with regard to the visitor industry shall be directed towards the achievement of the objective of a visitor industry that constitutes a major component of steady growth for Hawaii's economy
- Objective and policies for the economy-potential growth activities. (a) Planning for the State's economy with regard to potential growth activities shall be directed towards achievement of the objective of development and expansion of potential growth activities that serve to increase and diversify Hawaii's economic base.

176. With respect to the project's proposed hotel uses, OSP states that it recognizes that the visitor industry is very important to Hawaii's economy, as indicated in Chapter 226-8, HRS, and that the industry needs and requires continued support. However, OSP points out, however, that Hawaii cannot rely solely upon the visitor industry to sustain the economy and, as indicated in Chapter 226-2, 226-8, and 226-10, HRS, Hawaii needs to develop new industries.

177. Petitioner states that it concurs with OSP's position that developers should be involved in development activities outside of tourism and that Petitioner's business strategy is already in accord with OSP's recommendation. Petitioner states that its decision to undertake the marina project is an attempt to satisfy its business strategy of being involved in developments outside of tourism.

178. Petitioner further states that it is considering development of a large, mixed-use commercial project which will involve retail activities as well as office buildings, and that it has considered the possibility of doing industrial projects. Petitioner understands OSP's recommendation as encouraging activities in these area and, on that basis, Petitioner supports OSP's recommendations.

Conformance to the General Plan

179. The City General Plan ("General Plan") is a statement of the City's long-range social, economic and environmental objectives and includes broad policies adopted by

the City to achieve those objectives. According to 205-2, HRS, the Commission shall give consideration to the general plan, development plan and ordinances or regulations of the county in which the subject property is located.

Urban Design, Population and Economic Activity

180. The Petition Area will provide a major employment and commercial center in an area already designated by the City as Oahu's secondary urban center. The timing of the development will be coordinated with the construction of adequate facilities for water transmission and water resources, and sewage, drainage and transportation facilities to insure that the Petition Area will not require more public regional support than is available or will be made available in the area. Petitioner will also take measures to insure that adequate flood, fire and crime protection services will be readily available.

181. As mentioned previously, the variety of commercial activity proposed in the Petition Area will strengthen, as well as diversify, the Island's economic base. The development will offer jobs in the already familiar hotel and retail industry and in the emerging fields of physical fitness and management. By offering a stable employment base and by bringing economic activity into the area, the development will also help attract people to Ewa as called for in the General Plan. Furthermore, Petitioner's plans for visitor accommodations and facilities in the Petition Area will

attract a new corporate market to Hawaii; thus, being consistent with the General Plan's objective to maintain the viability of the visitor industry.

Natural Environment

182. Petitioner's development will be consistent with the City's goals and objectives to preserve the environment in this area. The Petition Area will be designed with drainage and flood-control systems to preserve the area's natural settings and will not significantly impact the quality of water or air in the area, with the appropriate mitigating measures. Furthermore, because the Petition Area is not recognized as a scenic area and will not be visible from developed or heavily traveled areas, the Project will not impact any scenic viewplane in Ewa.

Transportation and Utilities

183. The Petition Area will have a system of internal roadways that will connect it to Phase I and the remainder of the Ewa District. Petitioner is also working with the State and City to contribute to a roadway system that will be able to accommodate the projected volume of traffic from Ewa's increasing population.

Ewa Development Plan

184. Most of the Petition Area is currently designated for agricultural use on the Ewa Development Plan Land Use Map. Hence, after the Commission grants Petitioner's request for reclassification of the Petition Area, Petitioner

will seek such amendments to the Ewa Development Plan as are necessary to allow the commercial and recreational facilities to be constructed.

Zoning

185. Currently, all of the subject property is in the General Agricultural (AG-2) zoning district. Upon granting of the State Land Use District amendment and the Ewa Development Plan amendments referred to above, Petitioner will apply to the Department of Land Utilization for the appropriate rezoning of the subject property.

Conformance with Coastal Zone Management Policies and Objectives

186. The Hawaii Coastal Zone Management Act, Chapter 205(a) of the Hawaii Revised Statutes, establishes state policies for actions affecting the coastal zone. Development of the Petition Area will have minimal or no impact on the goals and objectives of the Coastal Zone Management Act, as is discussed more fully below.

Recreational Resources

187. The Petition Area is presently located substantially inland from the shoreline. Consequently, there are no beaches, surfing sites or other coastal resources or recreational activities adjacent to the Project.

188. Storm run-off will pass over the Petition Area on its way to the ocean. The Petition Area, therefore, will be designed to allow the storm waters to be channelled and drained

into the marina planned for Phase I. This will allow for some of the sediment to settle before the storm waters reach the ocean. In this manner, Petitioner anticipates that the present quality of the coastal waters will be maintained.

Historic Resources

189. As shown in Petitioner's Exhibits P and SS, approximately 95% of the Petition Area has been under cultivation for decades. A survey of the Petition Area disclosed no cultural sites which require preservation in the cultivated area. With respect to the uncultivated area, Petitioner's consultant states that no archaeological features meriting preservation were found.

Scenic and Open Space Resources

190. The Petition Area is presently located a significant distance from the existing shoreline and its topography is relatively flat.

Coastal Ecosystems

191. The Petition Area does not contain any coastal ecosystems of significant biological or economic importance. Features which will be built into the Petition Area such as the wide drainage swale that will convey water from areas inland of the Petition Area, through to the Phase I area, will actually minimize the effect of the volume and quality of the storm run-off from the site. Consequently, Petitioner believes there will be no adverse effect to the coastal water or ecosystems.

Coastal Hazards

192. The Petition Area does not abut the shoreline and is not in a tsunami or stormwave inundation area. It is also not in a potential subsidence hazard area. Drainage facilities included in the Petition Area, such as the wide drainage swale across the golf course, will ensure that the Petition Area will be in compliance with the requirements of the National Flood Insurance Program.

193. The proposed reclassification of the Petition Area for the development of the proposed project conforms to the policies and objectives of the Coastal Zone Management Program Chapter 205A, Hawaii Revised Statutes, as amended.

INCREMENTAL DISTRICTING

194. Petitioner states that it cannot substantially complete development of the Petition Area within 5 years after the date of final county zoning approval. Petitioner, however, states that its request to reclassify the entire Petition Area to the Urban District is appropriate at this time as major commitments regarding financing and construction of infrastructure for the entire development will be required during the initial 5 year period.

RULING ON PROPOSED FINDING OF FACT

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

CONCLUSIONS OF LAW

Pursuant to Chapter 205 of the Hawaii Revised Statutes, as amended, and the Hawaii Land Use Commission Rules, the Commission finds upon a preponderance of the evidence that the reclassification of the Property consisting of approximately 403.008 acres from the Agricultural Land Use District into the Urban Land Use District at Honouliuli, Ewa, Oahu, City and County of Honolulu, subject to the conditions stated in the Order, conforms to the standards for establishing the Urban Boundaries, is reasonable, non-violative 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.

ORDER

IT IS HEREBY ORDERED that the Petition Area, being the subject of this Docket No. A89-651 by Petitioner HASEKO (Hawaii), Inc., a Hawaii corporation, consisting of approximately 403.008 acres, situated at Honouliuli, District of Ewa, Island of Oahu, State of Hawaii, and identified as Oahu Tax Map Key Nos.: 9-1-12: portion of 5, portion of 6, and portion of 23, and approximately identified on Exhibit "A"

attached hereto and incorporated by reference herein, for reclassification from the Agricultural District to the Urban District, shall be reclassified from the Agricultural District into the Urban District and the State Land Use District Boundaries are amended accordingly, subject to the following conditions:

1. Petitioner¹ shall generate one (1) non-tourism related job, or the equivalent value thereof, for each hotel or hotel/condominium unit Petitioner is allowed to build. As used herein, "non-tourism related" means not related to hotels or residential condominiums intended for use as transient accommodations, or recreational, entertainment or other facilities and services used primarily by tourists. The "equivalent value" of a non-tourism related job is in the range of \$25,000 to \$50,000.

Satisfaction of this condition shall occur at the time Petitioner obtains a building permit and may be accomplished by the payment of \$25,000 for each hotel or hotel/condominium unit intended for transient accommodation for which a building permit is issued or in the following manner (provided that, with respect to subparagraphs a. and b., below, Petitioner may not receive credit under both subparagraphs for the same facility):

¹As used herein, the term "Petitioner" means Haseko (Hawaii), Inc. and its successors and assigns.

a. Jobs Generated Via Construction.

Development of residential, commercial, industrial, recreational, institutional or other non-tourism related facilities generates construction jobs not related to tourism. Petitioner, therefore, directly or through local affiliates, may receive one job credit for each 25 man-years of labor generated by a qualified project, which may be either within or outside of the Petition Area. (Hereafter, Petitioner and/or its affiliates shall collectively be referred to as "Developer".) One man-year shall equal 1920 hours of work; labor generated by the construction of a project shall include all work performed by the Developer's team (architects, engineers, consultants, contractors and subcontractors) in the development and construction of a non-tourism related project.

Not more than 25% of Petitioner's total job-generation requirement may be satisfied in this manner.

b. Jobs Generated Via Development of Non-Tourism Related Projects.

New facilities provide the means and opportunity for the establishment and/or growth of businesses and the generation of new, non-tourism related jobs. Petitioner, therefore, may receive credit for the development of new non-tourism related projects or facilities, either within or outside of the Petition Area. Credit for jobs created by such new facilities will be calculated on the basis of the degree of integration of the intended use of the

facility with the tourist industry. Credit for one (1) non-tourism related job shall be given for the specified amount of floor space in the following types of facilities:

<u>Type of Facility</u>	<u>Floor Space (square feet)</u>	<u>Credit</u>
Office	200	100 %
Warehousing/Storage	1,000	100 %
Manufacturing	300	100 %
Research Facility (e.g. High-Tech)	150	100 %
Recreation and Other Activity Centers	1,000	100 %
Private Schools and Day-Care Centers	300	100 %
Agricultural Facility (e.g. Greenhouses and Processing Plants)	1,000	100 %
Retailing	300	60 %

Credit for other types of facilities will be determined on a case-by-case basis.

c. Start-Up Capital, Business Incentives and Job Training.

Petitioner may receive one (1) job credit for (i) each \$50,000 invested by Petitioner in a start-up of a non-tourism related business (by way of equity or investment into a loan fund for such business), (ii) each \$25,000 in incentives provided to a new, non-tourism related business, and/or (iii) each \$25,000 contributed in training programs for non-tourism related jobs. Petitioner shall consult with OSP to

identify investments, incentives and training programs which qualify for credits under this category.

A minimum of 10% of Petitioner's job-generation requirement shall be satisfied in this manner.

d. Earning Job Credits.

Credits for jobs generated under subparagraphs a. through c., above, shall not be eligible for satisfaction of this condition unless, within two years after they accrue, they are reported to the LUC in Petitioner's annual report. Job credits shall be considered to have accrued under subparagraph a. when the Developer pays for the labor; under subparagraph b. when the certificate of occupancy is issued or such earlier date as may be approved by the LUC; and under subparagraph c. when the investment is made, the incentive is given, or the job training program is funded.

Petitioner's annual report to the LUC shall discuss in detail its progress in earning job credits. Additionally, Petitioner shall provide OSP with information concerning the manner in which Petitioner's claim for job credits is calculated as well as written certification by the Developer that all information provided is correct.

Job credits shall be considered earned only upon approval by the LUC. In the event Petitioner has earned job credits prior to the issuance of a building permit for the construction of hotel or hotel/condominium units, Petitioner may accumulate such job credits.

At the time Petitioner obtains a building permit, Petitioner shall satisfy this condition by depositing cash or posting a bond or a letter of credit, in a form satisfactory to OSP, in an amount equal to the product of \$25,000 multiplied by the number of hotel or hotel/condominium units for which a building permit is issued, less any job credits previously earned. As job credits are earned and applied in satisfaction of this condition, Petitioner may submit a motion to the LUC for the refund of the funds paid to OSP or a reduction of the bond or letter of credit issued in favor of OSP. Five (5) years after the date the building permit is issued, OSP shall have the right to retain cash or make claim on the bond or letter of credit in an amount equal to the product of \$25,000 multiplied by the number of hotel or hotel/condominium units for which the building permit is issued, less any job credits previously earned.

Prior to the expiration of the five-year period, Petitioner may seek an extension of time to satisfy its job-generation requirement. An extension may be granted upon such additional terms as may be appropriate, provided that Petitioner establishes substantial compliance with this condition and specifies the methods, means and time in which it intends to satisfy this condition.

Except for the limitations regarding subparagraphs a. and b. and the 10% minimum required by subparagraph c., Petitioner shall determine the manner in which

the remainder of its job-generation requirement may be allocated.

All funds obtained by OSP under this condition shall be applied to any one or more of the programs specified in subparagraph c., above.

2. The Petitioner shall make available adequate golf tee times (no less than 40% of total tee times) at affordable rates for public play by Hawaii residents based on prevailing rates for public play at privately owned golf courses. This condition may be fully satisfied by the development by the Petitioner of an 18-hole public play course within and/or outside the Petition Area acceptable to the Office of State Planning.

3. Petitioner shall not construct residential units or condominium units within areas exposed to composite (Honolulu International Airport and Naval Station Barbers Point) noise levels of 65 Ldn or greater.

4. The Petitioner shall attenuate the noise in guest (living) suites and other noise sensitive areas within commercial, hotel, and international fitness center development areas exposed to a composite (Honolulu International Airport and Naval Air Station Barbers Point) exterior noise level of 65 Ldn (day-night average sound level) by a minimum of 25 decibels (A-weighted).

5. Petitioner shall grant to the State of Hawaii an avigation (right of flight) and noise easement in the form

prescribed by the State Department of Transportation on any portion of the property subject to composite (Honolulu International Airport and Naval Air Station Barbers Point) noise levels exceeding 55 Ldn.

6. Petitioner shall be responsible for implementing sound attenuation measures to bring noise levels from vehicular traffic in the Petition Area, including along Fort Weaver Road, down to levels acceptable to the State Department of Health and the Department of Transportation.

7. Petitioner shall disclose in its deeds to all initial purchasers of condominium units in the Petition Area: (a) the possible odor, air, noise, and dust pollution resulting from the Fort Weaver Road, Barbers Point Naval Air Station, Honolulu International Airport, and surrounding agricultural operations, and (b) the Hawaii Right-to-Farm Act, Chapter 165, Hawaii Revised Statutes, which limits the circumstances under which pre-existing farm activities may be deemed a nuisance.

8. Petitioner shall coordinate, with the Honolulu Board of Water Supply, the Department of Land and Natural Resources, the Ewa Plain Water Development Corporation, adjoining land owners and developers, and/or other Federal, State, or County agencies, measures designed to develop water for the Petition Area. Petitioner and other members of the Ewa Plain Water Development Corporation shall develop, at the expense of the Ewa Plain Water Development Corporation, the necessary water source, storage, and transmission facilities to

provide an adequate supply of potable water to the Petition Area prior to the development of the Petition Area.

9. Petitioner shall participate in the implementation of the Ewa Highway Master Plan. In the alternative, should the Ewa Highway Master Plan not be completed on a schedule compatible with the Petitioner's development schedule, the Petitioner shall undertake the following on a fair share basis as determined by DOT:

a. The Petitioner shall participate in the funding and construction of transportation improvements at project access points as identified and deemed necessary by the State Department of Transportation. The Petitioner shall also participate in the funding and construction of other on-site and off-site transportation improvements necessitated by the proposed development of the Petition Area and in designs and schedules accepted by and coordinated with the State Department of Transportation, provided that the extent of the Petitioner's participation shall not exceed its share of the increased community impacts in the region, which share shall include the impacts generated by all phases of the Ewa Marina project and provided further that in the event the City and County of Honolulu adopts an impact fee for transportation improvements, the foregoing requirements shall be deleted to the extent that the cost of any specific traffic improvement is also included in the City and County of Honolulu's impact fee computation. Such improvements may include, but not be limited to, the

Petitioner's share of Fort Weaver Road improvements, Kunia Interchange improvements, the proposed north-south road and its interchange to the H-1 Freeway, and the proposed Kapolei Parkway.

b. Petitioner shall appoint a 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 formulation, use, and continuation of alternative transportation opportunities that would optimize the use of existing and proposed transportation systems.

10. Petitioner shall provide drainage improvements for the Petition Area and shall, to the extent necessary as determined by the City and County of Honolulu, coordinate off-site improvements with the Estate of James Campbell, the Barbers Point Naval Air Station, adjoining land owners and developers, and/or other Federal, State or City agencies.

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

12. Petitioner shall connect the wastewater system for the proposed development in the Petition Area to the

Honouliuli Wastewater Treatment Plant (WWTP). Construction of structures within the Petition Area shall not commence until Petitioner has obtained assurances from the City and County of Honolulu that the capacity at this plant has been reserved for the Petition Area; provided that if the capacity at the WWTP is not sufficient for the proposed development in the Petition Area, Petitioner may utilize other alternatives acceptable to the State Department of Health.

13. Petitioner shall immediately stop work on the impacted area and contact the Historic Preservation Division, State Department of Land and Natural Resources should any significant archaeological resources such as artifacts, shell, bones or charcoal deposits, human burial, or rock or coral alignments, paving or walls of historic or prehistoric significance be encountered during the development of the Petition Area.

14. Petitioner shall participate with city and state civil defense agencies, with U.S. Department of the Navy, and with adjoining land owners and developers in formulating and implementing an emergency preparedness and evacuation plan for the Petition Area.

15. Petitioner shall comply with "The Eight (8) Conditions Applicable to This Golf Course Development", prepared by the State Department of Health dated April, 1990 (Version 3), introduced as the Office of State Planning's

Exhibit Number 4 attached hereto and incorporated by reference herein.

16. Petitioner shall engage the services of a qualified golf course manager to oversee the irrigation of the golf course and application of fertilizers and pesticides to the golf course within the Petition Area and who shall be qualified in the application of fertilizers and pesticides on those areas.

17. Petitioner shall complete the development on the Petition Area in substantial compliance with the representations made before the Land Use Commission. Failure to so develop may result in reclassification of the property to its former land use classification.

18. 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 Petition Area covered by the approved Petition prior to visible commencement of construction on the Petition Area; provided, however, that Petitioner may transfer ownership in the Petition Area to an affiliate or joint venture of which Petitioner is a member or in a manner consistent with prior representations to the Land Use Commission, and may mortgage the property at any time without notice to the Land Use Commission. A mortgagee under such mortgage may foreclose the mortgage, by judicial foreclosure or under a power of sale contained in such mortgage (provided notice of the date of such

foreclosure sale is given to the Land Use Commission), or may, with notice to the Land Use Commission, acquire title to such property in lieu of foreclosure and the mortgagee or the person acquiring title at such foreclosure or in lieu of foreclosure may also transfer title to the property with notice to the Land Use Commission.

19. 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 subject project and the Petitioner's progress in complying with the conditions imposed.

20. In conjunction with the foregoing Findings of Fact Number 163, Petitioner shall submit to the Commission for its review and approval, the methods in which Petitioner will address the need for employee housing in conjunction with State and City government agencies.

21. The Commission may fully or partially release these conditions as to all or any portion of the Petition Area upon timely motion and upon the provision of adequate assurance of satisfaction of these conditions by the 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 Department of General Planning will certify for itself and all

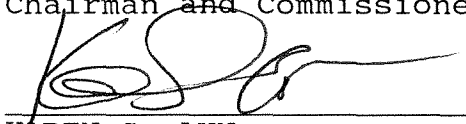
county departments and agencies. Any other party to the boundary amendment proceeding may be asked to indicate whether they concur in the certification of satisfaction.


DOCKET NO. A89-651 - HASEKO (HAWAII), INC., a Hawaii corporation


Done at Honolulu, Hawaii, this 17th day of October 1990,
per motion on August 29, 1990.


LAND USE COMMISSION
STATE OF HAWAII

By 
RENTON L. K. NIP
Chairman and Commissioner


By 
KAREN S. AHN
Commissioner


By 
ALLEN K. HOE
Commissioner

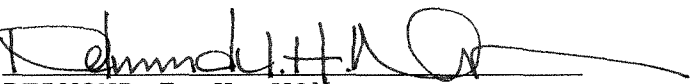
By 
ALLEN Y. KAJIOKA
Commissioner

By 
EUSEBIO LAPENIA, JR.
Commissioner

By 
JOANN N. MATTSO
Commissioner

By 
JAMES M. SHINNO
Commissioner

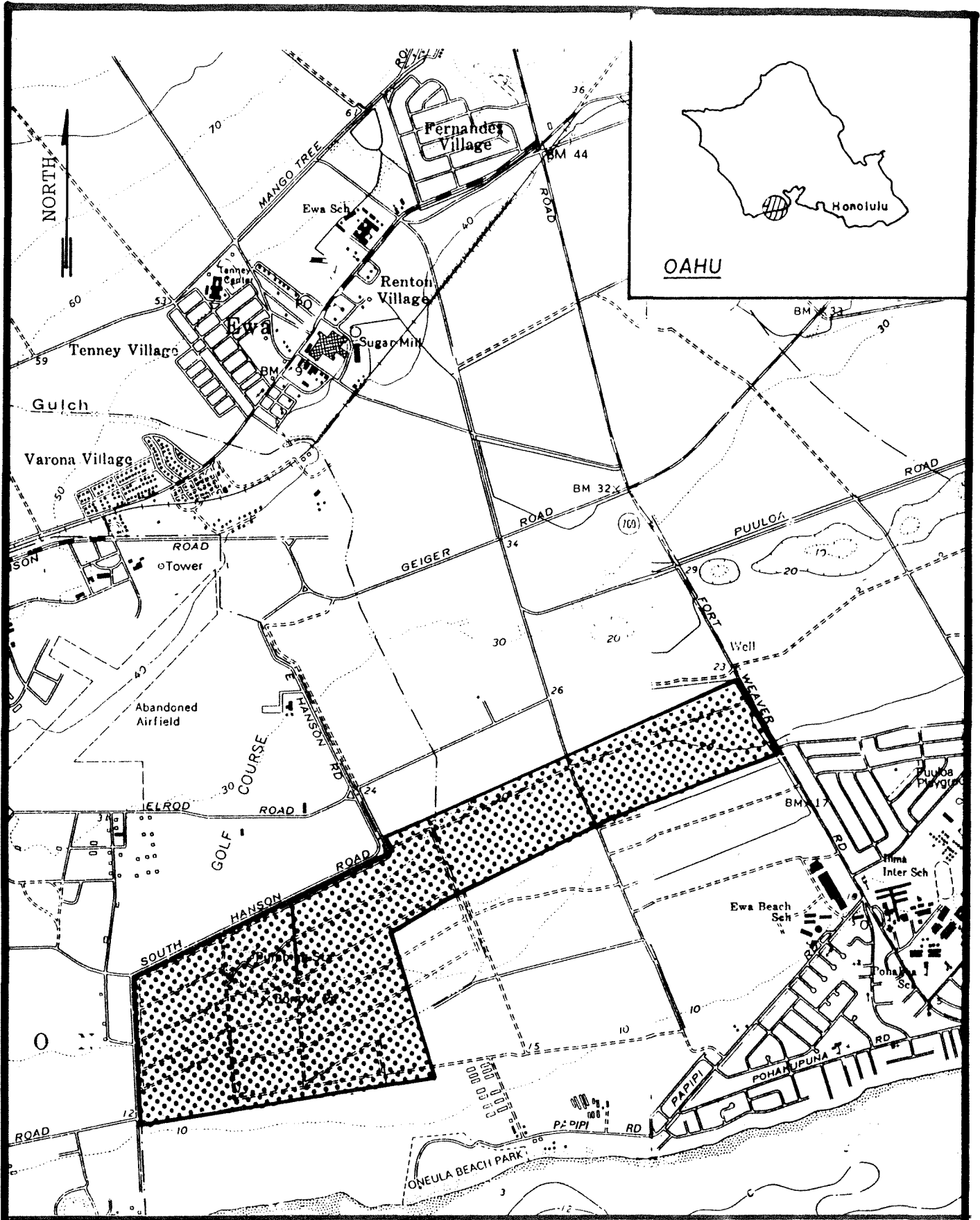
By 
ELTON WADA
Commissioner

By 
DELMOND J. H. WON
Commissioner

Filed and effective on
October 17, 1990

Certified by:


Executive Officer



DOCKET NO. A89-651 / HASEKO (HAWAII), INC.

LOCATION MAP

T.M.K.: 9-1-12: por. 5, por. 6, por. 23

HONOLULU, EWA OAHU, HAWAII



APPROVED AREA

SCALE: 1"=2,000 ft.±



STATE OF HAWAII DEPARTMENT OF HEALTH

April, 1990 (Version 3)

EIGHT (8) CONDITIONS APPLICABLE TO THIS NEW GOLF COURSE DEVELOPMENT

1. The owner/developer and all subsequent owners shall establish a groundwater monitoring plan and system which shall be presented to the State Department of Health for its approval. The groundwater monitoring plan and system shall minimally describe the following components:
 - a. A monitoring system tailored to fit site conditions and circumstances. The system shall include, and not be limited to, the use of monitoring wells, lysimeters and vadose zone monitoring technologies. If monitoring wells are used, the monitoring wells shall generally extend 10 to 15 feet below the water table.
 - b. A routine groundwater monitoring schedule of at least once every six (6) months and more frequently, as required by the State Department of Health, in the event that the monitoring data indicates a need for more frequent monitoring.
 - c. A list of compounds which shall be tested for as agreed to by the State Department of Health. This list may include, but not be limited to the following: total dissolved solids; chlorides; PH; nitrogen; phosphorus; or any other compounds associated with fertilizers, biocides or effluent irrigation.
2. Baseline groundwater/vadose zone water data shall be established as described in this paragraph. Once the monitoring system and list of compounds to be monitored for have been determined and approved by the State Department of Health, the owner/developer shall contract with an independent third-party professional (approved by the State Department of Health) to establish the baseline groundwater/vadose zone water quality and report the findings to the State Department of Health. Testing of the analyses of the groundwater shall be done by a certified laboratory.
3. If the data from the monitoring system indicate the presence of the measured compound and/or the increased level of such compound, the State Department of Health can require the owner/developer or subsequent owner to take immediate mitigating action to stop the cause of the contamination. Subsequently, the developer/owner or subsequent owner shall mitigate any adverse effects caused by the contamination.

4. Owner/developer shall provide sewage disposal by means of connection to the public sewer system; or by means of a wastewater treatment works providing treatment to a secondary level with chlorination. Effluent from this wastewater treatment works may be used for golf course irrigation, subject to Condition #3. The entire system shall be approved by the State Department of Health in conformance with Administrative Rules Title 11, Chapter 62, Wastewater Treatment Systems, effective December 10, 1988.
5. If a wastewater treatment works with effluent reuse becomes the choice of wastewater disposal, then the owner/developer and all subsequent owners shall develop and adhere to a Wastewater Reuse Plan which shall address as a minimum, the following items:
 - a. Management Responsibility. The managers of the irrigation system using reclaiming wastewater shall be aware of the possible hazards and shall evaluate their system for public health, safety, and efficiency. They must recognize that contact with the reclaimed wastewater from treated domestic sewage poses potential exposure to pathogenic organisms which commonly cause infectious diseases (bacteria, viruses, protozoa, and helminths or worms).
 - b. General Recommendations
 - 1) Irrigated areas should be no closer than 500 feet from potable water wells and reservoirs.
 - 2) Irrigated areas should be no closer than 200 feet from any private residence.
 - 3) Application rates should be controlled to minimize ponding. Excess irrigation tailwater in the reclaimed wastewater irrigation area shall be contained and properly disposed. An assessment should be made of the acceptable time and rate of application based on factors such as type of vegetation, soil, topography, climate and seasonal variations.
 - 4) Effluent holding/mixing ponds shall be designed to prevent the infiltration of the wastewater into the subsurface. The holding/mixing ponds shall be made impervious.
 - 5) Irrigation shall be scheduled such that the public is not in the vicinity and the soil is sufficiently dry to accept the irrigation water.
 - 6) Permanent fencing or barriers shall be erected around polishing or holding ponds to prevent public entry or stray feral and tame animals from gaining access to the ponds.

- 7) Adequate irrigation records shall be maintained. Records should include dates when the fields are irrigated, rate of application, total application and climatic conditions. Records should also include any operational problems, diversions to emergency storage or safe disposal and corrective or preventive action taken.
 - 8) The holding/mixing ponds shall be periodically monitored for the purpose of detecting leakage into the subsurface. If leakage is detected, corrective action shall be immediately taken.
- c. Adequate Notice. Appropriate means of notification shall be provided to inform the employees and public that reclaimed wastewater is being used for irrigation on the site.
- 1) Posting of conspicuous signs with sufficient letter size for clear visibility with proper wording should be distributed around the use areas.
 - 2) Signs shall be securely fastened. Periodic surveillance shall be conducted to assure permanent posting at all times. Immediate replacements shall be made when necessitated by deterioration, vandalism or misuse.
- d. Adequate Employee Education. Employees or users should be cautioned and warned of the potential health hazards associated with the ingestion of reclaimed wastewater being used at the site.
- 1) Employees should be warned that the ingestion of reclaimed wastewater is unsafe.
 - 2) Employees should be protected from direct contact of the reclaimed wastewater. If necessary, protective clothing should be provided.
 - 3) Employees should be informed of the following:
 - The irrigation water is unsafe for drinking or washing.
 - Avoid contact of the water or soil with any open cuts or wounds.
 - Avoid touching the mouth, nose, ear or eyes with soiled hands, clothes or any other contaminated objects.
 - Be aware that inanimate objects such as clothes or tools can transport pathogenic organisms.
 - Always wear shoes or boots to protect feet from the pathogenic organisms in the soil or irrigation water.

6. Releases from underground storage tanks (USTs) used to store petroleum products for fueling golf carts, maintenance vehicles, and emergency power generators pose potential risks to groundwater.

Should the owner/developer/operator plan to install USTs that contain petroleum or other regulated substances, the owner/developer/operator must comply with the federal UST technical and financial responsibility requirements set forth in Title 40 of the Code of Federal Regulations Part 280. These federal rules require, among other things, owners and operators of USTs to meet specific requirements in the detection, release response and corrective action. Also, the owner/developer/operator must comply with all State UST rules and regulations pursuant to Chapter 342-L 'Underground Storage Tanks' of the Hawaii Revised Statutes.

In consideration of the above-mentioned remarks, the Department of Health recommends that the owner/developer/operator implement facility plan alternatives that exclude the installation and operation of UST systems (e.g., the preferential use of electric golf carts, use of above-ground storage of fuel oil for emergency power generators, etc.), or, if USTs are utilized, that secondary containment be considered.

7. Buildings designated to house the fertilizer and biocides shall be bermed to a height sufficient to contain a catastrophic leak of all fluid containers. It is also recommended that the floor of this room be made waterproof so that all leaks can be contained within the structure for cleanup.
8. A golf course maintenance plan and program will be established based on "Best Management Practices (BMP)" in regards to utilization of fertilizers and biocides as well as the irrigation schedule. BMP's will be revised as an ongoing measure. The golf course maintenance plan will be reviewed by the State Department of Health prior to implementation.

If there are any questions regarding the eight (8) conditions mentioned here, please contact Mr. James K. Ikeda at 543-8304. We ask you cooperation in the protection of Hawaii's valuable groundwater resource.

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of) DOCKET NO. A89-651
HASEKO (HAWAII), INC.) HASEKO (HAWAII), INC.
To Amend the Agricultural Land Use)
District Boundary into the Urban)
Land Use District for approximately)
403.008 acres at Honouliuli, Ewa,)
Oahu, Hawaii, Tax Map Key Nos.:)
9-1-12: portion of 5, portion of 6,)
and portion of 23)

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:


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DATED: Honolulu, Hawaii, this 17th day of October 1990.


ESTHER UEDA
Executive Officer