

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)	DOCKET NO. A90-655
WEST BEACH ESTATES, a Hawaii)	
general partnership)	WEST BEACH ESTATES, a
)	Hawaii general
)	partnership
To Amend the Agricultural Land)	
Use District Boundary into the)	
Urban Land Use District for)	
Approximately 372.6 Acres, at)	
Honouliuli, Ewa, Oahu, Hawaii,)	
Tax Map Key: 9-1-15: 18 and)	
portion of 4, and 9-1-56:)	
portion of 11 and portion of 12)	
_____)	

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

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FINDINGS OF FACT,
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WEST BEACH ESTATES, a Hawaii general partnership (hereinafter sometimes referred to as "Petitioner"), filed a Petition for Land Use District Boundary Amendment, a First Amendment to Petition for Land Use District Boundary Amendment, and a Second Amendment to Petition for Land Use District Boundary Amendment (hereinafter collectively referred to as the "Petition"), pursuant to Chapter 205, Hawaii Revised Statutes, as amended, 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 372.6 acres of land situate at Honouliuli, Ewa, Oahu, State of Hawaii, identified as Oahu Tax Map Key Nos.: 9-1-15: 18 and portion of 4, and 9-1-56: portion of 11 and 9-1-56: portion of 12

(hereinafter referred to as the "Property"), from the Agricultural District to the Urban District. Petitioner proposes to develop the Property as Phase II of the Ko Olina Resort project (hereinafter referred to as "Phase II").

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, hereby makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

PROCEDURAL MATTERS

1. On June 22, 1990, Petitioner filed a Petition for Land Use District Boundary Amendment.

2. On August 21, 1990, a request for intervention was filed by Elizabeth Ann Stone. On October 25, 1990, a request to extend the Commission hearings to allow time for further testimony, an Environmental Impact Statement opposing the petition, and a request to excuse her absence at the Commission hearings due to transportation expenses was received from Elizabeth Ann Stone. Upon consideration of the request and upon motion adopted by the Commission on October 29, 1990, the request for intervention was denied. The Order denying intervention was filed on November 30, 1990.

3. On September 5, 1990, Petitioner filed a First Amendment to Petition for Land Use District Boundary Amendment.

4. On October 5, 1990, the Department of the Navy filed a Petition To Intervene, (hereinafter "Intervenor") and a Motion For Fee Waiver, which were subsequently granted by the Commission by motion adopted on October 29, 1990, and by Order filed on November 30, 1990.

5. On October 25, 1990, Petitioner filed a Second Amendment to Petition for Land Use District Boundary Amendment which proposed to allow the existing 5.8-acre Kamokila Park to remain in its present location; the deletion of the previously proposed new park site on the west end of the Property; a reconfiguration of the 18-hole championship golf course; and a reconfiguration of the low-density apartment parcel to accommodate the existing Kamokila Park.

6. The Commission held hearings on the Petition on October 29 and 30, 1990, pursuant to notice published on September 20, 1990, in the Honolulu Star-Bulletin, a newspaper of general circulation.

7. On October 29, 1990, the Commission accepted into evidence the written testimony of Calvin Kawamoto in favor of the Phase II Petition. The Commission also received into evidence written testimony in favor of the Petition from Charles Dick Beamer, Sterling Ing, Agnes K. Cope, George Kaeo, Kamaki Kanahale and M. Kauila Clark and allowed them to testify

as public witnesses. Also testifying as public witnesses in favor of Phase II were Jane Ross, Francisco Lumbago and Francis Kalama.

DESCRIPTION OF THE PROPERTY

8. The Property is located within the Ewa District, island of Oahu, approximately 20 miles west of Honolulu. The Ewa District encompasses the entire Ewa Plain from Kunia Road on the east to Kahe Point on the west. Located within this area are a planned destination resort, residential communities, a major industrial park, a deep draft harbor, a major military installation, and a portion of Oahu's largest sugar plantation.

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. The Property is bound to the north by the H-1 Freeway, Farrington Highway, Honokai Hale and Nanakai Gardens Subdivision; to the east by the western boundary of the proposed Kapolei Town Center near Kalaeloa Boulevard; to the west by Ko Olina Resort; and to the south by Ko Olina Resort and the abandoned Oahu Railroad and Land Company railroad right-of-way.

11. The site is approximately one mile inland from the shoreline. Access to the property is provided by the H-1

Freeway via the Palailai Interchange and by Farrington Highway and Kalaeloa Boulevard.

12. Ko Olina Phase I which was approved by the Land Use Commission on July 9, 1985, is adjacent to the property on its western and southern boundary. The proposed Kapolei Town Center which was incrementally approved by the Commission is situated east of the Property. The proposed Kapolei Business-Industrial Park is southeast of the Property.

13. Most of the Property is presently used for sugar cane cultivation by the Oahu Sugar Company. An estimated 298 acres or 80% of the Phase II Property is currently under cultivation. The remaining 68.8 acres are vacant lands. Existing uses on the Property also include the 5.8-acre Kamokila Park located adjacent to the eastern end of the Honokai Hale/Nanakai Gardens subdivision. Facilities at the park include a multi-purpose room, a basketball and volleyball court, a small slide for children, and a softball field.

14. Most of the lands within the Phase II Property are owned by the Estate of James Campbell. Approximately 359.8 acres of the Property are under a lease from Campbell Estate to the Oahu Sugar Company for sugarcane cultivation. A neighborhood park consisting of 5.8 acres adjacent to the eastern end of Honokai Hale Subdivision is currently under a lease from Campbell Estate to the City and County of Honolulu, Department of Parks and Recreation.

15. The Property also includes some acreage which is owned by West Beach Estates. Those include a 5.2-acre portion of the proposed golf course and a 1.8-acre portion of a proposed public school site.

16. Through an unrecorded Amended and Restated Ko Olina Resort Development Agreement ("Development Agreement") executed with Campbell Estate, West Beach Estates intends to purchase and develop the entire Phase II site. A short form of the Development Agreement was recorded on December 2, 1986, and was submitted as Exhibit 3.

17. The Property is located at the foot of the Waianae Range, with slopes generally ranging from 1% to 3%. In certain small portions on the western end of the Property, the slope ranges from 20-30%. The ground elevation of the Property ranges from approximately 65 feet near the abandoned railroad right-of-way to 100 feet near the highway. The Ewa Plain receives high insolation year-round and modest amounts of rainfall, with average annual precipitation of about 20 inches. Much of the total annual rainfall accumulates from several storms during the winter rainy season from October to April.

18. The Land Study Bureau Detailed Land Classification for Oahu identifies the overall productivity rating of soils of the Property as follows: approximately 2% as Class A, 86% as Class B, 2% as Class C, and 8% as Class E.

Agricultural suitability ratings range from A - very good to E - very poor.

19. If irrigated, the Land Study Bureau classifies 6 acres as "A", 328 acres as "B", 8 acres as "C" and 31 acres as "D" and "E" lands.

20. The Agricultural Lands of Importance to the State of Hawaii (ALISH) system designates approximately 359 acres of the Property as "Prime" and the remaining 14 acres are classified as "Other" and "Unclassified" lands.

21. The Property lies outside of the tsunami hazard zone and is identified as an "area of undetermined, but possible flood hazard" (Zone D) on the Federal Insurance Administration maps.

PROPOSAL FOR RECLASSIFICATION

22. The proposed Ko Olina Phase II is intended to provide for the future expansion and the necessary amenities to support the first phase of the Ko Olina Resort now well underway. The Phase II master plan proposes the development of an 18-hole championship golf course amidst low and medium density apartments, commercial retail and office development on the east end, and the existing neighborhood park.

23. The following table represents the proposed land uses and approximate acreages for the Property.

Land Use Acres

Low Density Apartment	102.1
Medium Density Apartment	50.7
Portion of Park (Phase I)	5.2
Portion of Public School Site (Phase I)	1.8
Circulation	14.3
Open Space	4.7
Existing Kamokila Park	5.8
Commercial	32.9
Public Facility	0.5
Golf Course	154.6
Total	372.6

24. The golf course development will consist of an 18-hole championship golf course and will include a clubhouse, parking lot, maintenance facility and driving range. The golf course will help serve the visitor demand for resort golf play, Ko Olina residents, possible memberships, as well as providing tee times for Hawaii residents at reduced rates.

25. Low and medium-density apartments are planned in four clusters within the Property. A total of approximately 1,500 low density units and 2,000 medium density apartments are planned.

26. The commercial parcel on the east end is planned to accommodate a shopping center with retail-commercial development and a low-rise garden office complex.

27. The existing Kamokila Park will be kept at its present location, adjacent to the Honokai Hale subdivision, with access and planning being coordinated with the City Department of Parks and Recreation.

28. A half-acre parcel at the southeast end of the Property is to be part of a future transit station site.

29. The addition of 1.8 acres in Phase II to the contiguous proposed school site in Phase I will allow for a 6-acre site. An agreement was negotiated between West Beach Estates and the State Department of Education during the Phase I process regarding this site.

30. The Petitioner intends to comply with a sixty percent (60%) affordable housing condition through various alternatives, including, but not limited to, the provision of affordable housing on-site or off-site, the provision of an appropriate in-lieu contribution, or a combination of these alternatives to the satisfaction of HFDC.

31. The preliminary estimate for the construction of the golf course, clubhouse, and on-site and off-site infrastructure improvements is approximately \$53.55 million in 1990 dollars.

32. Assuming timely approval of all necessary permits, construction of the golf course and on-site and off-site infrastructure are expected to start by late 1991 or early 1992, with completion scheduled sometime in 1993. The on-site residential construction is expected to commence in 1993 or 1994 with availability of units beginning in 1995 and ending in 2006. Development of a retail center and office complex is expected to occur in increments beginning from 1993, for a total of 275,000 square feet.

PETITIONER'S FINANCIAL CAPABILITY

TO UNDERTAKE THE PROPOSED DEVELOPMENT

33. Petitioner presented testimony and evidence, including Petitioner's Balance Sheet dated March 31, 1990 and Financial Statement and Report of Independent Certified Accountants, dated December 31, 1989, showing that the proposed Phase II development is economically feasible and that Petitioner has the experience and financial capability to undertake the proposed development.

STATE AND COUNTY PLANS AND PROGRAMS

34. The 372.6-acre Property is located entirely within the State Agricultural District. Reclassification of the site into the Urban District is being sought to enable the proposed uses and developments of Ko Olina Phase II. It should be noted that the Phase II boundary along the lower western edge does not coincide with the State Land Use boundaries separating the Urban from the Agricultural Districts.

35. Ko Olina Phase II is part of the secondary urban center which is an adopted policy of the City and County of Honolulu as expressed in the General Plan. Implementation of the policy at the development plan level was obtained in May of 1986 with the adoption of Ordinance 86-75.

36. The City and County of Honolulu Development Plan Land Use Map presently provides for Commercial, Low and Medium Density Apartment, Park, and Public Facility uses similar to that proposed in the Petition. Petitioner is pursuing a

Development Plan amendment to adjust the land use boundaries and shift acreages within the Property to provide a more compatible arrangement of land uses. An amendment to the Ewa Development Plan Public Facilities Map is also being pursued to include development of Aliinui Drive (the main collector road) and a system of privately-developed potable and non-potable water transmission mains and a non-potable well.

37. The City and County of Honolulu Land Use Ordinance designates the Phase II site as AG-1 Restricted Agricultural District, and P-2 General Preservation District (for Kamokila Park).

38. The Property is not located within the Special Management Area boundaries established pursuant to the State Coastal Zone Management Law.

NEED FOR THE PROPOSED DEVELOPMENT

39. Golf course demand is tied to population growth and tourism. Resort development is also a primary factor in projecting the demand for golf in Hawaii because the availability of championship golf courses at premier resorts has become a highly desirable amenity to the economic success of a resort. On Oahu, there is a high demand for golf. Although Oahu has 80% of the State's population and approximately 50% to 60% of the State's total visitors, less than 50% of the State's golf courses and only 15% of the State's resort golf courses are located on the island. Presently, Oahu's municipal courses are some of the busiest in

the world, the four private country clubs have waiting lists, and the military courses and public daily fee courses are at capacity. Petitioner expects resort golf to continue to grow due to: growth in volume of visitors, higher golf participation rates, an upscaling of the resort industry, an increase in the number of resort destination areas, and an increase in eastbound visitors. The existing 19 non-military courses play 1.5M rounds/year. Play by residents at non-military courses accounts for 79% of the rounds while play by visitors accounts for 21%. Based on these assumptions (but not accounting for the existing shortfall estimated by Petitioner's consultant), and the anticipated increase in population and visitors to Oahu, Petitioner estimates that there would be demand for up to 18 additional courses on Oahu. Petitioner believes that additional courses are needed to service peak demand and keep resort demand from spilling over to courses primarily servicing local demand. Petitioner maintains that there is currently an existing shortage on Oahu, as evidenced by: existing courses operating at capacity, escalating golf fees, and institution of telephone lottery systems. Actual demand was determined by Petitioner's consultants on the basis of 1 round/day: per 10 units for resort, per 15 units for resort/condo, per 75 units for residential. Consultants estimate that Ko Olina will in and of itself require four courses. Consultants estimate that by

1993, with completion of the first 2,000 hotel rooms, development of the second golf course will be necessary.

40. The supply of housing units on Oahu has not kept pace with demand, with estimates of the shortfall ranging from 20,000 to 50,000 units. Petitioner estimates that Phase II would satisfy 2.8% of overall housing demand through 2010 and 5.2% of housing demand on an average basis over its 12-year life. Petitioner envisions three target markets: primary home, retirees and second home. Residential development of a mix of housing types at Ko Olina Phase II is attractive for a number of reasons. Its location in the Ewa area is preferred by both the State and City for future population growth. Proximity to major job centers will be afforded, including Ko Olina Resort, James Campbell Industrial Park, proposed Kapolei Business-Industrial Park, and the future Kapolei Town. The residential units at Ko Olina will enjoy attractive surroundings, notably golf course frontage and location within a planned community and within a destination resort area. Petitioner is committed to fulfilling a 60% affordable housing condition as agreed with HFDC. However, they would like to maintain their flexibility in being able to satisfy this condition in a number of ways - including on-site, off-site development, in-lieu or a combination of alternatives.

41. Ewa has been designated by the City and County of Honolulu as its "Second City". If development takes place as envisioned, there will be demand for office space to support

urban activities taking place there. Additional office development proposed by Campbell Estate at nearby Kapolei Town Center is also expected to have favorable synergistic impact on demand. Based on the Department of Business and Economic Development's population growth estimates and absorption rates for office space over the past ten years, Oahu will need 290,000-400,000 square feet/year by the year 2000. Commercial use of the property is planned to provide for shopping center demand which is estimated to be generated by the resort and residential development, as well as to provide for an office complex to meet a portion of the island-wide demand for office space over the next decade. Demand for the retail center consisting of approximately 300,000 square feet will also be generated from projected resort and residential developments at Ko Olina Resort Phase I. The office complex of 275,000 square feet is expected by the Petitioner to supply approximately 10% of the island-wide demand for new office space over a 7-year period.

ECONOMIC IMPACTS

42. According to Petitioner's marketing consultant, John Zapotocky, direct employment is estimated to result in 2,525 new direct jobs and 394 indirect jobs as compared to an estimated 12 direct jobs generated by current sugar operations.

43. Upon project completion, County net revenues are projected to be \$3.7 million per year (in 1990 dollars). Total revenues accruing to the State during the construction phase

are expected to be \$54.5 million. Upon completion of the project, State net revenues derived from Phase II are projected to be \$1.4 million per year.

SOCIAL IMPACTS

44. The proposed multi-family residential units, golf course, and commercial developments of Ko Olina Phase II will help establish the Secondary Urban Center by providing a balance of adequate housing, employment, and recreational opportunities to meet the needs of the projected population increase within the area.

45. The development of Ko Olina Phase II will result in a variety of employment opportunities as the development's long-term employment is expected to generate approximately 2,500 direct jobs, primarily stemming from the commercial retail and office development.

46. The development of Ko Olina Phase II would provide a total of approximately 3,500 multi-family units, which will consist of 1,500 low density and 2,000 medium density apartments.

IMPACTS UPON RESOURCES OF THE AREA

Agricultural Resources

47. Frank S. Scott, Jr. conducted a study addressing the land capabilities for crop production on the Property and the probable effects on Oahu Sugar Company (hereinafter "Oahu Sugar") and agriculture on Oahu in general if the Property were withdrawn from crop production for other uses.

48. An April 25, 1990, letter from Oahu Sugar to West Beach Estates, confirmed that Ko Olina Phase II is "outside Oahu Sugar's critical core lands." Oahu Sugar also specified that cultivation of these lands may become infeasible within a few years regardless of the development of Ko Olina Phase II due to the planned "Second City" and other developments, which would cut these fields off from mill facilities and make cultivation impractical for the long run.

49. The acreage of the Property that is used for sugarcane production represents only 2.2 percent of the 13,561 acres of sugarcane reported for Oahu Sugar in 1988. Oahu Sugar's net returns might be expected to be somewhat less than the indicated 2.2 percent based on proportion of land area considering (1) somewhat lower quality soils than for the average of the plantation, (2) higher irrigation requirements than for mauka lands, (3) greater distance from the mill than for most parcels and (4) possible conflicts in burning and transporting sugarcane associated with the surrounding urban infringement.

50. Withdrawal of this acreage should not in itself have a major impact on sugar production and should have a relatively minor effect on the economic viability of Oahu Sugar.

51. Mr. Scott indicated that there are no foreseeable alternative agricultural uses for most of the land on the Property. Extensive research by the Hawaiian Sugar Planters

Association, the University of Hawaii and the sugar plantations has failed to identify major alternatives to sugar crops on Oahu.

52. As of 1988, 141,886 acres were zoned as agricultural on Oahu by the State Land Use Commission, of which_ only 42,500 acres were in cultivated crop production, and 99,386 acres of agricultural lands were uncultivated.

Flora

53. Based on a Botanical Survey of the Property conducted by Kenneth Nagata, five vegetation types were identified: sugarcane, koa-haole, Guinea grass, scrub grassland dominated by buffelgrass, roadway vegetation of grasses and other herbaceous species, and some cultivated ornamentals around the pumphouse. No endemic or rare and endangered species were found despite a careful search. No native ecosystems will be affected by the proposed project.

Fauna

54. The Property includes introduced mammals, amphibian species and land reptiles. Of the eighteen species of introduced birds observed within the vicinity, none are classified as an endangered species. No endemic or endangered mammals, amphibians, reptiles or birds were found on the Property. The proposed project would have no adverse effect on the terrestrial vertebrate animals observed within the area of the Property.

Historical/Archaeological Resources

55. A reconnaissance survey and subsurface archaeological testing of the Property was conducted by Paul H. Rosendahl, Ph.D. Inc. The survey revealed that the entire Property has been extensively modified in recent times, primarily by sugarcane cultivation and that no significant archaeological sites were encountered within the Property during the Reconnaissance Survey and Subsurface Testing.

56. Petitioner states that if any potentially significant subsurface cultural remains are encountered during construction of the proposed development, work will cease, archaeological consultation will be sought and the appropriate governmental agencies will be notified immediately.

57. The Oahu Railroad and Land Company Right-of-Way railroad bed extends approximately 3,200 feet along a portion of the southern boundary of the Property, and is listed on the National Register of Historic Places (Site 50-80-12-9714). The project will not have any adverse effect on the railroad bed.

Recreational and Scenic Resources

58. The Property is planned to include the 5.8-acre Kamokila Park. Phase II will also include a 156-acre, 18-hole championship golf course with a clubhouse facility and driving range.

59. The Petitioner, in its Phase I plans, provides an 11-acre park adjacent to a proposed school site and just below the western end of the Phase II Property. Phase I also

includes an 18-acre beach park located near the resort's primary entrance and a 9.3-acre beach park located adjacent to the marina.

60. A number of private developments in the vicinity of the Property have proposed or will develop recreational facilities as part of their master plans.

61. Four community parks currently exist within the Ewa District, including the 5.8 acre Kamokila Park located within the Property and three neighborhood parks.

62. The proposed development of the golf course and park will help preserve the makai view from the highway which is elevated above the Property. The low density apartments are not expected to affect any views from the highway and mauka areas. Medium density apartments are confined to two areas near the commercial development. The commercial developments will be low-rise in character with height limits established such that views will not be materially affected.

ENVIRONMENTAL QUALITY

Noise

63. A Noise Study was prepared by Y. Ebisu and Associates in December 1989. According to the Noise Study, the latest Air Installations Compatible Use Zones (AICUZ) study for Naval Air Station Barbers Point indicates that aircraft noise levels do not presently exceed 60 Ldn at any of the residential areas planned, even when combined with aircraft operations from Honolulu International Airport. The 60 Ldn contour crosses the

edge of the transit station site as drawn utilizing 1987 data. The 60 Ldn contour would also include a corner of the Commercial site as forecasted for 2005. The 55 Ldn Contours for 1987 and 2005 cross over the Medium and Low Density Apartment areas of the project.

64. None of the Barbers Point Naval Air Station's ("BPNAS") flight tracks come across the Phase II development.

65. Hawaii Revised Statutes § 467-31 requires that real estate brokers and salesmen provide a disclosure regarding properties which lie within an AICUZ area to prospective buyers, lessees, and tenants, prior to any sale, leasing or other transactions.

66. The Property is closer to the BPNAS than the Honolulu International Airport, however, the Navy did not request any avigation easement. Hawaii Revised Statutes § 467-31 and OSP's proposed condition regarding deed disclosures should satisfy any aircraft-related concern that the Navy might have regarding the Phase II Property.

67. The Phase II development, as presently proposed, is compatible with the BPNAS aircraft operations, noise and accident environment and is consistent with agreements reached between the Navy and Campbell Estate.

68. Traffic noise levels would not be incompatible with development of the golf course and commercial area. A portion of the low density apartment units on the northeast portion of the Property within 250 feet from the highway

centerline would be impacted by highway noise. Noise mitigation such as air-conditioning these units will be undertaken to prevent adverse noise impacts on future residents.

Air Quality

69. An Air Quality Study was conducted by Root and Neal Air Pollution Consulting in January 1990 on fugitive dust and exhaust emissions related to construction equipment and commuting construction workers. To mitigate the short-term fugitive dust, the Petitioner will comply with the State of Hawaii Air Pollution Control Regulations. Paving of parking areas and establishment of landscaping early in the construction schedule will also help to control dust. Vehicular emissions may be limited by moving construction equipment and workers to and from the project site during off-peak traffic hours.

70. All long-term air quality impacts associated with the proposed project are indirect. The primary indirect impact will be increased levels of carbon monoxide from vehicle traffic along roadways leading to and from the proposed development, especially near the new intersection of Kalaeloa Boulevard and Ko Olina Parkway.

Water Quality

71. According to the petitioner's pesticide safety expert, Dr. Brennan, the change from sugarcane cultivation to a well-managed golf course is consistent with the State's goal of preserving and protecting groundwater. The total amount of

nitrogen used in the fertilizer for sugarcane production is similar to that which would be used on the proposed golf course. The presence of caprock between the surface of the property and the Pearl Harbor aquifer should serve as an effective barrier between the brackish and potable groundwater sources and will not cause significant degradation of potable groundwater quality from the land use conversion from sugarcane cultivation to golf course.

Fertilizers and Pesticides

72. Development of the proposed golf course and the use of chemical fertilizers and pesticides if properly managed should not pose adverse environmental risks. The combination of soil properties, gently sloping topography, and a net evapotranspiration deficit suggest no recharge of the brackish groundwater from rainfall. The amount of nitrogen used would be similar to that used in sugarcane production.

73. The pesticides to be used on the golf course degrade relatively quickly. Airborne drift would be controlled by using low-pressure nozzles, lowering application booms, using drift control agents, selecting proper formulations, observing local weather conditions, and making applications by properly trained personnel.

ADEQUACY OF PUBLIC SERVICES AND FACILITIES

Highway and Roadway Facilities

74. Primary roadway access to the Property is via the H-1 Freeway and Farrington Highway, with west and eastbound

access via the Palailai Interchange and Kalaeloa Boulevard and the newly constructed Ko Olina Interchange. From the access points, circulation through the Property will be provided by Aliinui Drive (a four-lane collector road) which will be extended from the Phase I area to and along the southern boundary of the Phase II site to Kalaeloa Boulevard.

75. A Traffic Study prepared by Wilbur Smith Associates in February 1990, concluded that the proposed project would generate approximately 1,262 vehicle trips per day in 1992 upon completion of the golf course and 41,900 vehicle trips to or from the project areas on an average weekday upon full development of the 3,500 residential units and the commercial area in 2005.

76. To improve the level of service of traffic, which would be LOS F (Level of Service) with or without the project to LOS D, a large intersection at Aliinui Drive and Kalaeloa Boulevard, with sufficient through lanes and separate left and right turn lanes on both roadways, will be required. Petitioner's consultant stated that the intersection should be signalized.

77. Petitioner's consultant stated that the intersection of Aliinui Drive and Koio Drive which would operate at LOS F with or without the project could be improved by constructing four lanes on Aliinui Drive from the Koio Drive to the Kalaeloa intersection. The eastbound approach will require double left turn lanes and a single through lane. Koio

Drive should have two lanes approaching and departing. Petitioner's consultant stated the intersection should be signalized.

78. The anticipated traffic is expected to be dispersed throughout the interior access roadway intersections. Left and right turn lanes into the various project areas would be provided with appropriate stop-control or signalization to allow continuous free-flowing traffic on Aliinui Drive.

79. Petitioner is participating in the implementation of the Ewa Transportation Master Plan which is in the process of determining the funding and construction of regional transportation improvements in the Ewa area and the impacts generated by the Phase II project.

Water Service

80. The proposed development will be serviced by a dual water system supplying potable water for human consumptive uses and brackish water for irrigation. Potable water source improvements proposed in the Ewa Water Master Plan have been jointly implemented by the Ewa Plain Water Development Corporation (EPWDC), of which West Beach Estates is a member.

81. Mauka of the Property and Farrington Highway, water transmission mains, reservoirs, and non-potable wells have been either constructed or bonded for Ko Olina Phases I and II. New potable water wells have been identified for

development as part of the Ewa Water Master Plan at the 440-foot elevation of upper Honouliuli, mauka of H-1 Freeway, and west of Kunia Road.

82. Total water demand is estimated at 1.09 million gallons per day of potable water and 1.16 million gallons per day of non-potable water. The Ewa Water Master Plan, approved by the Board of Water Supply in October 1987, includes the development plan for Ko Olina Phase II.

Wastewater

83. On the mauka side of the railroad right-of-way, 33-inch and 36-inch trunk sewers connect to the municipal Makakilo Interceptor Sewer which conveys and discharges wastewater to the Honouliuli Wastewater Treatment Plant. The existing lines are adequate to accommodate the estimated 1,164,000 gallons per average day of wastewater generated by the proposed development.

84. Appropriate permits and approvals will be requested from the State Department of Health and the City Department of Public Works for the proposed wastewater system. Since the Phase II development will be constructed over a period of years, each individual building or project will obtain approval of its wastewater allocation from the City Department of Public Works as part of the building permit process.

85. The City has plans to expand the capacity of the Honouliuli Wastewater Treatment Plant. The expansion is

scheduled for completion in 1993 or 1995. After completion of the expansion, there will be adequate capacity to treat and dispose of the wastewater generated by Ko Olina Resort Phase II. Petitioner must seek approval from the City and County of Honolulu to connect to the Honouliuli Wastewater Treatment Plant. Should the capacity at the plant not be sufficient for the proposed development, the Petitioner may utilize other alternatives acceptable to the State Department of Health.

Drainage System

86. The Property lies within three natural drainage basins. Existing off-site downstream drainage facilities are adequate for the proposed development. An unlined channel south and east of the Property and recently completed drainage improvements in Ko Olina Phase I were designed and built to accommodate storm runoff from the Property and sub-tributary mauka areas.

87. Proposed on-site improvements include construction of underground pipe drain systems within Aliinui Drive and grassed swales, ditches and channels in the proposed golf course. A drainage master plan will be prepared and submitted for City review at the appropriate stage of the development process.

Solid Waste Disposal

88. Solid waste expected to be generated by the proposed development is approximately 50 tons of refuse per

day. Solid waste will be collected by the City and private refuse companies and transported to the H-POWER facility or to a public landfill site.

Schools

89. The Ko Olina Resort plan provides a site for an elementary school which would be developed when the Ko Olina community has generated a sufficient demand for a new facility. The State Department of Education estimates that the Ko Olina Phase II residential development would increase the enrollment of Makakilo Elementary and Kapolei Elementary (grades K-6) by 340-360 students, Ilima Intermediate (grades 7-8) by 130-140 students, and Campbell High (grades 9-12) by 200-220 students.

Police and Fire Protection

90. Police service to the Ewa area is provided by the Pearl City station, which jurisdiction includes three districts: the Waianae Coast, Waipahu/Ewa Beach, and Aiea/Pearl City.

91. Fire service to the proposed development site is presently provided from the Makakilo station, which houses an engine company and five firefighters. Additional City Fire Department units are available from the Waipahu and Nanakuli stations.

92. Ko Olina Resort Phase I plans also provide for a 2-acre site for police/fire/day care center facilities.

Emergency/Civil Defense

93. The State Department of Defense, Office of the Director of Civil Defense requests the installation of infrastructure support for siren warning equipment. Civil Defense explains that emergency warning systems must be planned for the safety of communities and that inclusion of the systems at the permitting process results in considerable savings. Planning and installation would be done in consultation with Civil Defense and the systems would subsequently be donated to Civil Defense.

94. It is estimated that three siren locations would be needed to serve the project. Preliminary locations are identified at the southwest corner of the park alongside the drainage canal, in the parking lot of the golf course closest to Ali'inui Drive, and in the public facility next to Ali'inui Drive.

95. The Oahu Civil Defense Agency also states "the need for the developer and those organizations involved in designing and constructing commercial, school, and recreation facilities, to assure every effort is made to create usable shelter for the new population."

Electricity and Telephone Services

96. Major electrical transmission facilities within the Property include Hawaiian Electric Company's 138 KV overhead line that traverses along the western edge of the

proposed commercial parcel and existing 46 KV lines paralleling the railroad right-of-way. Projected peak demand for the proposed project is estimated at approximately 18 MVA. Based on the projected loading, Hawaiian Electric Company does not anticipate that a new substation will be required to serve the project.

97. The telephone system will be an underground facility except for cross-connect pedestals provided by Hawaiian Telephone Company at various locations throughout the Property to permit access and telephone service to the project facilities.

Health Care Services

98. Existing health and medical care facilities are located in Waianae, Ewa Beach, and Waipahu. These facilities consist of medical clinics and physician offices. Hospital facilities include the 116-bed facility at Pearl Ridge (the Pali Momi Medical Center) and a 136-bed facility in Waipahu (St. Francis Medical Center West and St. Francis Medical Plaza West).

CONFORMANCE TO THE URBAN DISTRICT STANDARDS

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

100. The Property includes lands characterized by "city-like" concentrations of people, structures, streets,

urban level of services and other related land uses. It is adjacent to the 290-unit Honokai Hale/Nanakai Gardens Subdivision and the first phase of the Ko Olina Resort development on its western end. To the east lies the proposed Kapolei Town Center development which is intended to be the focal point of the Second City development.

101. The Property is in proximity to centers of trading and employment and would also generate new centers of trading and employment. The Property lies between and in close proximity to the Ko Olina Resort and the proposed Kapolei Town Center development. Phase II will also be a significant generator of trading and employment as approximately 2,500 direct jobs would be created by the golf course and commercial developments.

102. The Petitioner has substantiated the economic feasibility of the Phase II Project. The Market Study indicates a substantial demand exists for an additional golf course facility to support the resort development. The Market Study further emphasizes a long-term demand for residential housing on Oahu. The proposed residential development of Ko Olina Phase II would contribute to this demonstrated need for additional residential units. There is also the demand for additional commercial space which will be allocated to retail and office facilities on the east end of the Property.

103. The Property is in proximity to basic services such as sewers, transportation systems, water, sanitation,

schools, parks, and police and fire protection. The sewer system when expanded, will be adequate to accommodate the wastewater generated by the planned residential, golf course clubhouse, and commercial developments. Electrical and communications services will be provided from existing utility systems. Planned roadways and mitigative measures are proposed to alleviate impacts and maintain traffic volumes within roadway capacities.

104. There are sufficient reserve areas for urban growth in appropriate locations based on a ten-year projection. The Property is a logical continuum of urbanization and growth in the Ewa area as it lies between the Ko Olina Resort Phase I and the proposed Kapolei Town Center. In its Ewa Development Plan, the City has also planned for urban-type uses within the Property.

105. The Property includes lands with satisfactory topography and drainage and are reasonably free from the danger of floods, tsunamis, and unstable soil conditions, although the predominant soils have high shrink-swell potential and crack widely upon drying. The Property has slopes generally ranging from 1 to 3% and is not situated within a flood hazard area. General on-site improvements are proposed to improve drainage and storm runoff conditions. Upon development, the golf course will function as a retention/flood basin to lessen storm flows to lower-lying areas and will help to mitigate any flood hazard. No adverse environmental impacts are anticipated.

106. The Property is contiguous with existing Urban areas on the west, including the Honokai Hale/Nanakai Gardens Subdivision and the Ko Olina Resort Phase I. To the east, the Property is contiguous with the "Subsequent Increments" area of the proposed Kapolei Town Center which recently obtained incremental redistricting to the Urban District. The Property is also planned for future urban uses on the City's Development Plan for Ewa, including low and medium density apartment uses, commercial, park, and public facility uses.

107. The Property supports and is consistent with the designation of Kapolei as the Secondary Urban Center for growth and development on Oahu. The proposed golf course, multi-family residential units, park, and commercial area will provide the necessary support facilities to accommodate the future growth and development of the Ko Olina Resort.

108. The Property is a logical extension of urbanization in the Ewa District and will not contribute to scattered spot urban development. Petitioner will provide all required on-site and off-site improvements to minimize the burden on public systems which are affected by the development. Thus, urbanization of the Property will not necessitate unreasonable investment in public infrastructure or support services.

109. The Property does not include lands with a general slope of twenty percent or more which do not provide open space amenities or scenic values.

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

The urban designation of the Property is in conformance with the Hawaii State Plan, the overall theme, goals, objectives and priority guidelines for the future long-range development of the State. The Petition supports and is consistent with the following State Plan objectives and policies:

110. In conformance with Section 226-5(b)(7), Hawaii Revised Statutes, the development of Phase II will support the designation of Ewa as the Secondary Urban Center. A variety of employment opportunities will result, particularly for residence of the leeward area.

111. In conformance with Section 226-6(a)(1), (b)(6), (b)(10), and (b)(15), Hawaii Revised Statutes, Phase II activities will help sustain the level of construction activity in the State, and benefit the Ewa area and nearby communities by the additional employment opportunities. After construction, the new facilities are expected to provide full-time employment for approximately 2,500 persons. The new jobs created by the proposed project will help to diversify economic opportunities for the Ewa area and will reduce the number of residents that will have to commute to Honolulu for employment. Petitioner has formed the West Oahu Employment Corporation (WOEC) in conjunction with the community and area providers of employment training. WOEC's purpose is to

facilitate employment of the residents of West Oahu into jobs created in the Ko Olina, Ewa, Makakilo, and Waianae areas.

112. In conformance with Section 226-7(b)(6), Hawaii Revised Statutes, the withdrawal of the Property, in itself, would not significantly impact the availability of agriculturally suitable lands as the effect is expected to be less adverse than withdrawal of other similar-sized parcels elsewhere on the plantation. Factors which lessen the site's desirability include somewhat lower quality of soils than for the average plantation and higher irrigation requirements than for mauka lands. In addition, the remaining acreages of agricultural lands on Oahu are sufficient for crop production.

113. In conformance with Section 226-8(b)(3), (b)(4), (b)(5), and (b)(6), Hawaii Revised Statutes, the construction of the golf course and commercial development, and the retention of the existing Kamokila Park will support the promotion of Hawaii's visitor industry and improve the quality of the Ko Olina Resort destination area. The new facilities will provide a variety of activities to meet the diverse needs of both visitors and residents. The new Phase II project will also provide a variety of permanent job opportunities and facilities for the residents in the neighboring communities. Petitioner has established WOEK to take the role of both catalyst and facilitator in developing partnership activities with community organizations, training groups, and West Oahu area businesses.

114. In conformance with Section 226-10(b)(3) and (b)(8), Hawaii Revised Statutes, Petitioner has established the Pacific Foundation. Its primary objective is to promote the improvement of social and living conditions in West Oahu communities and to support other religious, educational, and charitable activities that contribute to the betterment of the people of Hawaii.

115. In conformance with Section 226-13(b)(7), Hawaii Revised Statutes, the proposed Phase II project will provide housing and employment, as well as commercial and recreational opportunities which are in close proximity to a variety of existing and future developments. The Property is adjacent to the Farrington Highway, the Ko Olina Resort Phase I complex, Barbers Point Harbor, and the Honokai Hale and Nanakai Gardens subdivisions. Future developments within the vicinity of the proposed Phase II project also include the Kapolei Town Center, Makakilo expansion, Kapolei Village, Kapolei Business-Industrial Park, and Campbell Industrial Park expansion.

116. In conformance with Section 226-14(b)(3), Hawaii Revised Statutes; and Section 226-16(b)(1), Hawaii Revised Statutes, an assessment of groundwater resources has been undertaken in conjunction with the Ewa Water Master Plan to ensure that the required facility system can be supported within the existing resource capacities. To preserve potable water supply, non-potable water sources will be developed for irrigation of the Phase II golf course.

117. In conformance with Section 226-19(a)(2), and (b)(5), Hawaii Revised Statutes, the 3,500 multi-family residential units planned in connection with Ko Olina Phase II will provide housing opportunities to accommodate the demands of the market sector desiring residence in a resort community and will complement and support the employment and recreational opportunities afforded by the Ko Olina Resort. The Phase II residential development will also be readily accessible to public facilities and services. Petitioner will provide affordable housing through various alternatives, including, but not limited to, the provision of affordable housing on-site or off-site, the provision of an in-lieu contribution, or a combination of these alternatives under such terms as may be mutually agreeable between Petitioner and the Housing Finance and Development Corporation of the State of Hawaii.

118. In conformance with Section 226-21(b)(5), Hawaii Revised Statutes, the West Oahu Employment Corporation, which is partially funded by the Petitioner, provides job training and placement.

119. In conformance with Section 226-22(b)(1), Hawaii Revised Statutes, Petitioner has established and will continue to contribute to the Pacific Foundation, a non-profit philanthropic organization whose primary objective is to promote the establishment and maintenance of social, educational, religious, and cultural activities to foster the traditional culture, environment, and economic prosperity of

the people of Hawaii and the West Oahu area. The Pacific Foundation is working with and has provided grants to schools and human service agencies to assist in their efforts to identify needs, encourage and help cultivate more youth development programs, and to help the homeless in the West Oahu area.

120. In conformance with Section 226-23(b)(2) and (b)(5), Hawaii Revised Statutes, the Phase II golf course and neighborhood park expansion will help to fulfill the recreational needs of the resort and surrounding community. They will provide a range of activities to accommodate both current user groups as well as the demand that will be generated by future development and growth in the Ko Olina Resort area.

121. The proposed Phase II development supports or conforms to the following Hawaii State Plan Priority Guidelines:

122. The Petitioner conforms with Section 226-103(a)(10)(B), Hawaii Revised Statutes, by its organization of WOEC, its establishment of scholarships and tutorial programs for students, and the expansion of business and entrepreneurial training through Leeward Community College. WOEC's formation of a one-stop-service center for community residents provides services including career counseling, entrepreneurial training, job placement and referral, and job training partnerships.

123. In conformance with Section 226-103(b)(7), Hawaii Revised Statutes, the Phase II golf course, residential and commercial development are intended to provide for a more favorable resort investment climate. Development will help to improve the overall functional relationship within the Ko Olina resort community. The proposed development will also provide new commercial and office facilities to support the Ko Olina Resort and the Second City communities.

124. In conformance with Section 226-103(e)(2), Hawaii Revised Statutes, present plans call for the use of non-potable water sources for the Phase II landscaping and the irrigation of the golf course.

125. In conformance with Section 226-103(e)(4), Hawaii Revised Statutes, Ko Olina Resort and other Ewa projects are constructing dual water systems; a potable system for human consumptive uses and brackish systems for irrigation and other non-potable uses.

126. In conformance with Section 226-104(a)(3) and (b)(6), Hawaii Revised Statutes, adequate support services and facilities already exist or will be provided to accommodate the proposed Phase II development. The proposed Phase II development will also provide a variety of jobs and support facilities to help accommodate the resort needs and the projected growth within the Second City and the Ewa district. The general public will benefit from the construction of the Phase II infrastructure, including the access road, community

park, school site, transit station, golf course, and commercial area. These infrastructure costs will be borne by the Petitioner. Development of the golf course and community park will also help to preserve open space between the neighboring residential developments and within the project area.

127. In conformance with Section 226-104(b)(2), Hawaii Revised Statutes, withdrawal of this site from sugar cultivation is expected to have a less adverse effect than withdrawal of most similar sized parcels elsewhere on the plantation due to higher irrigation requirements and greater distance from the mill.

128. The proposed Phase II project complies with and supports the following policies of the State Tourism Functional Plan:

129. Phase II complies with Section 226-104(b)(2), (b)(3), and (b)(4), Hawaii Revised Statutes, because it is part of the overall Ko Olina Resort community, which includes a golf course, park, residential, and commercial areas, which will provide a variety of jobs and facilities for the anticipated population growth in Ewa and will enhance the quality of the Ko Olina Resort development; Phase II has been carefully planned, is sensitive to existing neighborhood communities; and the golf course and community park will help to preserve open space and views for the existing neighboring communities. Phase II will also provide additional infrastructure, facilities, and

recreational and commercial opportunities that may be utilized by existing neighboring communities.

CONFORMANCE WITH COASTAL ZONE MANAGEMENT

OBJECTIVES AND POLICIES

130. The Property does not abut the shoreline and is not in a tsunami or stormwave inundation area. Drainage facilities included on the Property, including the drainage swale across the golf course, will ensure that the Property will be in compliance with the requirements of the National Flood Insurance Program.

131. The proposed reclassification of the Property 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

132. Petitioner states that full development of the Property cannot be substantially completed within five (5) years after the date of final county zoning approval. Assuming other timely government approvals, Petitioner expects to complete the golf course and begin construction of residential and commercial properties within five (5) years from the date of final county zoning approval. Petitioner also expects that it's incremental development plan can be substantially completed. Petitioner's position is that its request to reclassify the entire Property 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 five (5) year period.

RULING ON PROPOSED FINDINGS 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.

CONCLUSION 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 372.6 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 Property, being the subject of this Docket No. A90-655 by Petitioner WEST BEACH ESTATES, a Hawaii general partnership, consisting of approximately 372.6 acres, situated at Honouliuli, District of Ewa, Island of Oahu, State of Hawaii, and identified as Oahu Tax Map Key Nos.: 9-1-15: 18 portion of 4 and 9-1-56: portion of 11 and 9-1-56: portion of 12, 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. Petitioner shall provide affordable housing opportunities for residents of the State of Hawaii by offering for sale or lease a number of units equal to at least thirty percent (30%) of the residential units in the Property at prices which families with an income range of up to one hundred twenty percent (120%) of the City and County of Honolulu's median income can afford, and a number of units equal to at least thirty percent (30%) of the residential units in the Property at prices which families with an income range of one hundred twenty to one hundred forty percent (120%-140%) of the City and County of Honolulu's median income can afford.

a. This condition may be fulfilled through various alternatives, including, but not limited to, the provision of affordable housing on-site or off-site, the provision of an in-lieu contribution, or a combination of these alternatives under such terms as may be mutually agreeable between Petitioner and the Housing Finance and Development Corporation of the State of Hawaii ("HFDC").

b. This condition may also be fulfilled, with the approval of the HFDC through construction of rental units to be made available at rents which families in the specified income ranges can afford.

c. In addition, Petitioner may obtain special credit, as determined by HFDC, for the provision of housing affordable to persons with low and/or very low incomes and for the provision of housing for special needs groups, as determined by the HFDC.

d. Insofar as possible, the Petitioner shall implement this affordable housing requirement concurrently with the completion of market priced units for the residential project.

e. The determination of median income, as the term is used in this condition, shall be based on median income published by the United States Department of Housing and Urban Development at the time that construction of such housing units commences.

2. Petitioner shall participate in the implementation of the Ewa Transportation Master Plan ("ETMP"). In the alternative, should the ETMP not be completed on a schedule compatible with Petitioner's development schedule, Petitioner shall undertake the following on a fair proportionate share basis as determined by the State Department of Transportation ("DOT"):

a. Petitioner shall participate in the funding and construction of transportation improvements at project access points as identified and deemed necessary by DOT.

b. 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 Property and in designs and schedules accepted by and coordinated with DOT.

c. With respect to the foregoing requirements, the extent of the Petitioner's participation shall not exceed its fair proportionate share of the increased community impacts in the region.

d. In the event that the City and County of Honolulu ("C&C") adopts an impact fee for transportation improvements, the foregoing requirements shall be satisfied to the extent that the cost of any specific traffic improvement is also included in the C&C's impact fee computation.

e. 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. Participation in the Leeward Oahu Transportation Management Association would satisfy this condition.

3. Petitioner will provide other community benefits to mitigate impacts, which may include adequate golf tee times at affordable rates for public play by Hawaii residents based on prevailing rates for public play at privately owned daily fee golf courses to the satisfaction of the Office of State Planning and the City and County of Honolulu.

4. Petitioner shall provide drainage improvements for the Property 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 landowners and developers, and/or other Federal, State or City and County of Honolulu agencies.

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

6. The Petitioner shall connect the wastewater system for the proposed development in the Property to the Honouliuli Wastewater Treatment Plant (HWTP). Construction of any structure(s) within the Property shall not commence until Petitioner has obtained assurances from the City and County of Honolulu that the capacity at HWTP has been reserved for such structure(s); provided that if the capacity at the HWTP is not sufficient for the proposed structure(s) within the Property, the Petitioner may utilize other alternatives acceptable to the State Department of Health.

7. Petitioner shall implement soil erosion and dust control measures during all phases of the development in compliance with the applicable rules and regulations of the City and County of Honolulu and the State Department of Health.

8. Petitioner, by itself or together with other members of the Ewa Plain Water Development Corporation, shall develop the necessary water source, storage, and transmission facilities to provide an adequate supply of potable and non-potable water to the Property in conjunction with the development of Ko Olina Phase II. Non-potable water shall be used for irrigation.

9. Petitioner shall be responsible for implementing sound attenuation measures to bring noise levels from vehicular traffic in the Property down to levels in compliance with the applicable State Department of Health standards and in cooperation with the State Department of Transportation.

10. Petitioner shall disclose in its deeds to all initial purchasers of residential units in the Property:

(a) the possible odor, air, noise, and dust pollution resulting from Farrington Highway, Barbers Point Naval Air Station, Honolulu International Airport, neighboring developments, and any adjacent 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.

11. Petitioner will provide covenants in the deed to initial purchases releasing the State of Hawaii and the United States Government or any subdivision thereof from all liability, and provide that such initial purchasers will not file suit against the State of Hawaii and the United States Government or any subdivision thereof on account of, or resulting from, any inconvenience, disturbance and/or injury due to noise under 65 Ldn in the area affecting such occupants or their property. Such covenants shall run with the land.

12. 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 Property.

13. 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 2.

14. 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 Property and who shall be qualified in the application of fertilizers and pesticides on those areas.

15. Petitioner shall provide its fair proportionate share for school facilities as may be required by and to the satisfaction of the State Department of Education and the Office of State Planning.

16. Petitioner shall provide its fair proportionate share for police, fire, park and solid waste disposal as may be required by and to the satisfaction of the City and County of Honolulu.

17. Petitioner shall participate with City and State civil defense agencies, with U.S. Department of the Navy, and with adjoining landowners and developers in formulating and implementing an emergency preparedness and evacuation plan for the Property. Petitioner shall fund and install the necessary number of emergency siren units (including infrastructure) within the development area to the specifications and satisfaction of the State Office of Civil Defense.

18. Petitioner shall complete the development on the Property in substantial compliance with the representations made before the Land Use Commission. Failure to so develop may result in the Land Use Commission taking any action authorized under, and pursuant to Act 261.

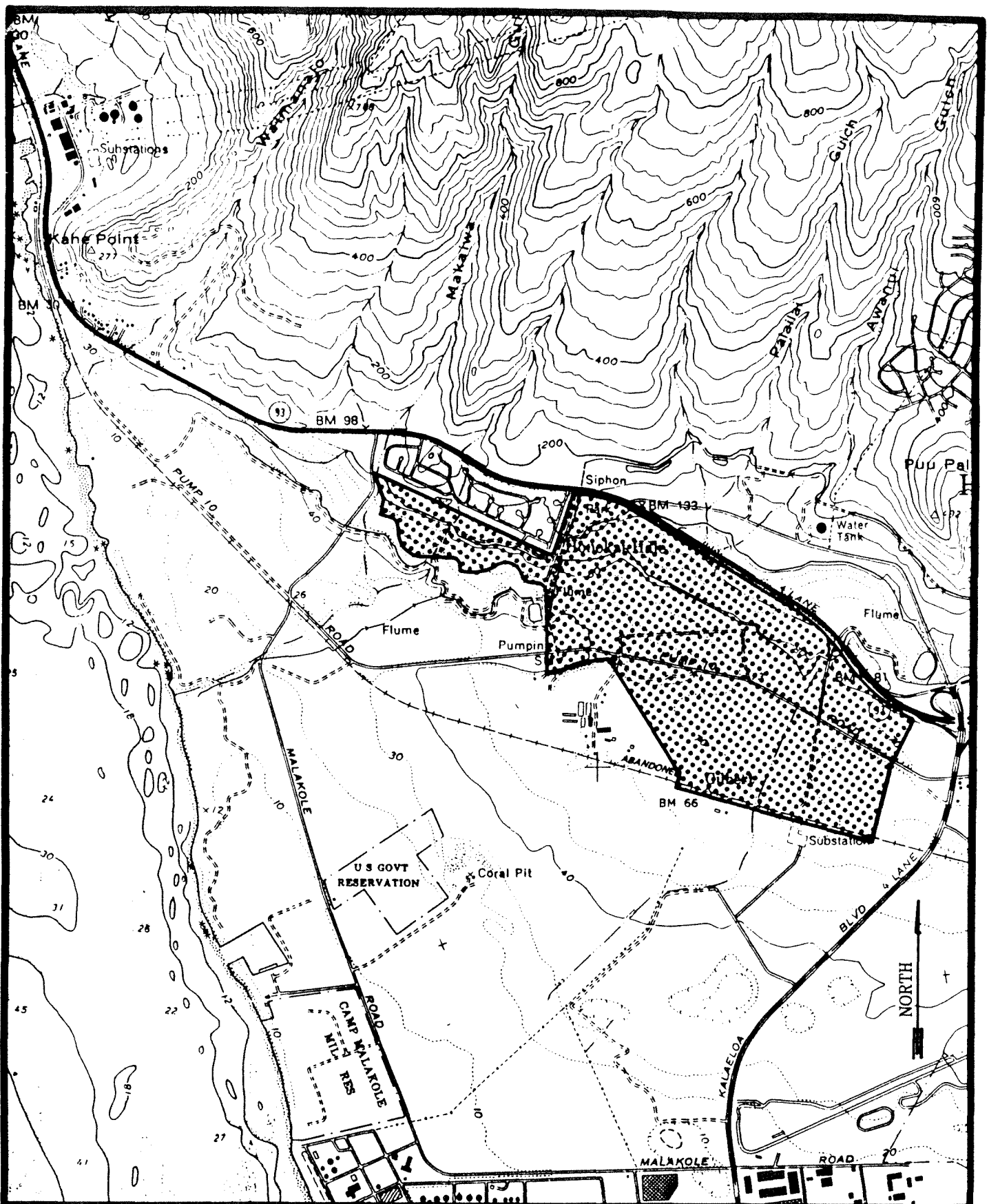
19. Petitioner shall give notice to the Land Use Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interest in the Property covered by the approved Petition prior to visible commencement of construction on the Property; provided, however, that Petitioner may transfer ownership in the Property 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.

20. The Commission may fully or partially release these conditions as to all or any portion of the Property upon

timely motion and upon the provision of adequate assurance of satisfaction of these conditions by the Petitioner.

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. Petitioner will obtain any applicable certifications from the appropriate 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.

21. 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.



L O C A T I O N M A P

DOCKET NO.: A90-655/WEST BEACH ESTATES
 TAX MAP KEY: 9-1-15: por. 4, 18;
 9-1-56: por. 11 & por. 12
 HONOLULIULI, EWA, OAHU
 SCALE: 1" = 2,000 ft.±

EXHIBIT A

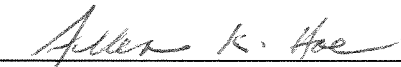


APPROVED AREA

Done at Honolulu, Hawaii, this 14th day of February 1991,
per motion on February 7, 1991.

LAND USE COMMISSION
STATE OF HAWAII

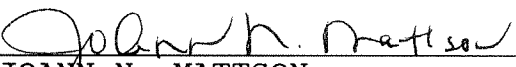
By 
RENTON L. K. NIP
Chairman and Commissioner

By 
ALLEN K. HOE
Vice Chairman and Commissioner

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


By 
KAREN S. AHN
Commissioner

By (absent)
EUSEBIO LAPENIA, JR.
Commissioner


By 
JOANN N. MATTSON
Commissioner

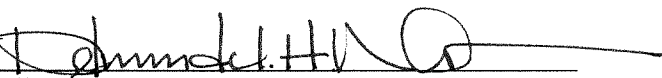
Filed and effective on
February 14, 1991

Certified by:


Executive Officer

By (absent)
JAMES M. SHINNO
Commissioner

By 
ELTON WADA
Commissioner

By 
DELMOND J. H. WON
Commissioner

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)	DOCKET NO. A90-655
WEST BEACH ESTATES, a Hawaii)	
general partnership)	WEST BEACH ESTATES, a
)	Hawaii general
)	partnership
To Amend the Agricultural Land)	
Use District Boundary into the)	
Urban Land Use District for)	
Approximately 372.6 Acres, at)	
Honouliuli, Ewa, Oahu, Hawaii,)	
Tax Map Key: 9-1-15: 18 and)	
portion of 4, and 9-1-56:)	
portion of 11 and portion of 12)	
_____)	

CERTIFICATE OF SERVICE

I hereby certify that a copy of the Findings of Fact, Conclusions of Law, and Decision and Order was served upon the following by either hand delivery or depositing the same in the U. S. Postal Service by certified mail:

HAROLD S. MASUMOTO, Director
Office of State Planning
State Capitol, Room 410
Honolulu, Hawaii 96813

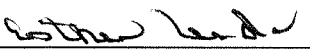
CERT. BENJAMIN B. LEE, Chief Planning Officer
Department of General Planning
City and County of Honolulu
650 South King Street
Honolulu, Hawaii 96813

CERT. DAVID ARAKAWA, ESQ., Attorney for Petitioner
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Honolulu, Hawaii 96813

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

CERT. REBECCA M. K. GREENWAY, ESQ., Attorney for Intervenor
Office of Counsel
Pacific Division
Naval Facilities Engineering Command
Pearl Harbor, Hawaii 96860

DATED: Honolulu, Hawaii, this 14th day of February 1991.



ESTHER UEDA
Executive Officer