

BEFORE THE LAND USE COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Petition of )  
 )  
DONALD E. KRAEMER, INC. & ) DOCKET NO. A80-478  
JOHN P. ELLBOGEN )  
 )  
To Amend the Agricultural Land )  
Use District Boundary to )  
Reclassify Approximately 15.4 Acres )  
at Puaa, North Kona, Island of Hawaii )  
into the Urban Land Use District )  
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DECISION AND ORDER

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FINDINGS OF FACT, CONCLUSIONS OF LAW,  
DECISION AND ORDER

This proceeding was initiated by Petition of DONALD E. KRAEMER, INC., and JOHN P. ELLBOGEN, pursuant to Chapter 205, Hawaii Revised Statutes, as amended, and the Rules of Practice and Procedure of the Land Use Commission, State of Hawaii, to amend the State Land Use District Boundary of certain lands, hereinafter referred to as the "subject property," situated at Puaa 1st, North Kona, Island and County of Hawaii, from the Agricultural District to the Urban District. The Commission, having heard and examined the testimony and evidence presented during the hearing held on July 1, 1980, in Kailua, North Kona, Hawaii, hereby makes the following Findings of Facts and Conclusions of Law:

FINDINGS OF FACT

PROCEDURAL MATTERS

1. The Petition was filed on January 23, 1980, by Donald E. Kraemer, Inc., and John P. Ellbogen to amend the State Land Use District Boundary at Puaa 1st, North Kona, Island and County of Hawaii, to reclassify 15.4 acres from the Agricultural District to the Urban District. An Amendment to the Petition for Boundary

Amendment was filed on June 27, 1980.

2. Notice of the hearing, scheduled for July 1, 1980 at 10:00 a.m., at the Kona Hilton Hotel, Kailua-Kona, was published in the Honolulu Advertiser and in the Hawaii Tribune Herald on May 28, 1980.

3. No petitions for intervention were received on the Petition.

DESCRIPTION OF THE SUBJECT PROPERTY

4. The subject property is located at Puaa 1st, in the North Kona District of the Island of Hawaii, approximately one-half ( $\frac{1}{2}$ ) mile from Kailua-Kona, fronting on the makai (west) side of the Hualalai (Kailua-Holualoa) Road.

5. The subject property consists of approximately 15.4 acres and is identified in the Tax Maps of the State of Hawaii as TMK, 3rd Division, 7-5-10: 06.

6. The Trustees of Bishop Estate/Kamehameha Schools hold fee title to the subject property and lease it to Petitioners. Written approval of the fee owners (Bishop Estate) for filing the petition has been made a part of the record.

7. The subject property, which is presently unused, was previously a portion of a golf course.

8. The subject property is bounded on the north, west and south by land in the Urban District. The land immediately to the south of the subject property was the site of the former Pacific Empress Hotel and is presently owned by an organization known as Youth with a Mission which plans to develop a private college on this parcel. A 128-unit low income rental housing project known as Kamaaina Hale is located on the land immediately to the west of the subject property. The subject property is the only area makai of Hualalai Road between the Palani Road-Kuakini Highway intersection and the former Pacific Empress Hotel site that is not in the Urban District.

9. The subject property is located from 460 to 600 feet above sea level and has a 6 to 10 degree slope.

10. The average rainfall for the area in which the subject property is located is 30 inches per year, with most of the rainfall coming during the winter months.

11. The U.S. Department of Agriculture Soil Conservation Service Survey (1973) has classified the soil on the subject property as 90% WHC: Waiaha, which consists of shallow, well-drained silt loams that are formed in volcanic ash, slope 6-10 percent, and 10% PYD: Punaluu, which consists of well-drained thin organic soils over pahoehoe lava bedrock.

12. The Land Study Bureau's Overall Master Productivity Soil Rating for agricultural use is Class "E" or "Very Poor" for soils of the subject property.

13. The State Department of Agriculture has indicated that it has no objection to the Petition.

#### PROPOSAL FOR DEVELOPMENT

14. Petitioners propose to develop a leasehold condominium project consisting of not more than 180 two-bedroom, two bath, residential apartments in approximately 16 buildings. The planned floor area of each apartment is between 1,500 square feet and 1,800 square feet.

15. Amenities such as tennis courts, swimming pools, Jacuzzis, a recreational building and putting greens are also planned for the proposed project.

16. The planned price range for the apartments in the proposed project is from \$135,000 to \$165,000 per apartment. This price range is below the usual price for apartments of this type.

17. The proposed project is oriented to the middle and high income socio-economic groups, particularly those families whose household heads are employed within the Kailua-Kona and Keauhou area.

Secondary market support is expected to come from Mainland and Canadian visitors seeking residential units for future, secondary and/or retirement purposes.

18. Purchasers are expected to be owner/occupants as well as investors who will rent the apartments to local residents.

19. If the petition is granted, Petitioners plan to immediately apply for rezoning of the subject property.

20. Petitioners plan to complete development of the proposed project within 2 years after rezoning. It is expected that all apartments in the project will be sold prior to completion.

21. Anticipated development costs for the project are \$20,349,974, exclusive of land acquisition costs, financing and taxes, but including costs of constructing road, sewer and water improvements.

22. A number of lending institutions from Hawaii as well as the Mainland have indicated an interest in providing financing for the proposed project.

#### STATE AND COUNTY PLANS

23. The subject property is designated for Medium Density Urban Development on the Land Use Pattern Allocation Guide Map for the County of Hawaii General Plan.

24. The subject property is zoned AG-1 (agricultural).

25. The subject property is situated within the Kailua Village Special District and, pursuant to the Kailua Village Design Plan (Ordinance No. 217 adopted July 7, 1976), the subject property is designated for residential use.

#### NEED FOR GROWTH AND DEVELOPMENT

26. The subject property is a highly desirable residential area because of its proximity to urban and resort areas as well as employment areas.

27. The proposed project will fill the need for residential apartments within a conveniently located area and apartments in the project will be in demand because of the planned amenities.

28. It is estimated that construction of the proposed project will provide employment for approximately 80 persons during construction. The completed project will provide opportunities for domestic and maintenance employment.

#### RESOURCES OF THE AREA

##### Agricultural Resources

29. The subject property is not presently used for agricultural purposes and, in light of the low productivity rating for the soil on the subject property, is not suitable for agricultural use.

##### Natural Resources

30. The subject property has been grubbed and partially graded and few areas remain in their original state. The subject property is almost entirely overgrown with guinea grass and ekoa.

##### Archaeological and Historical Resources

31. An archaeological survey of the subject property reveals no evidence of ancient Hawaiian occupation of the subject property. However, one known cultural resource, a portion of the Great Wall of Kuakini borders the subject property on its western boundary.

##### Visual Impact

32. The proposed project will be comprised of low rise (not more than 3 stories) buildings of primarily wood construction. Visual impact of the proposed improvements will therefore be limited.

#### PUBLIC SERVICES AND FACILITIES

##### Schools

33. The nearest elementary and high schools are 5 miles and 15 miles, respectively, from the subject property. A third school,

Kailua-Keauhou School, which will serve the subject property, is projected for opening in September, 1982. It is not anticipated that the proposed development will significantly contribute toward increased enrollment in the schools within the area.

#### Sewer

34. Sewage disposal will be handled by the planned Kailua Sewage Treatment Plant expansion. Petitioners are willing to provide any required aid in financing the proposed expansion.

#### Water

35. The County of Hawaii Department of Water Supply has indicated that water will be available for the proposed project from a proposed 20-inch pipe along Kuakini Highway. The new water line is expected to be completed in two years.

#### Solid Waste Disposal

36. Solid waste will be collected and disposed at approved dumps.

#### Other Utilities

37. Local private utilities supplies can meet all demands for electricity, gas and telephone services.

#### Police and Fire Protection

38. The County of Hawaii provides police and fire protection which is available to service the subject property.

#### Roadway and Highway Services

39. Access to the subject property will be from Hualalai Road which is planned for improvement. The County is in the process of floating bonds which will fund the improvement. Upon completion of such improvement, Hualalai Road will adequately serve the subject property and proposed development.

#### CONTIGUITY OF DEVELOPMENT

40. The subject property is a small pocket surrounded by land in the Urban District and is adjacent to land developed for

residential and other urban uses.

41. The proposed development will allow maximum use to be made of existing services and facilities.

CONFORMITY TO STANDARDS FOR DETERMINING DISTRICT BOUNDARIES

42. The subject property is adjacent to land developed for residential and other urban purposes.

43. The subject property is located close to urban and resort areas and to employment centers.

44. Basic services such as sewers, water, sanitation, schools and police and fire protection are available or could be made available to the subject property.

45. The proposed use of the subject property is in conformity with the Hawaii County General Plan and is compatible to the land use development pattern in the Kailua-Kona Urban District.

RULING ON PROPOSED FINDINGS

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

CONCLUSIONS OF LAW

Pursuant to Chapter 205, Hawaii Revised Statutes, as amended, and the Rules of Practice and Procedure and the District Regulations of the Land Use Commission, State of Hawaii, the Commission concludes that the proposed boundary amendment conforms to the standards established for the Urban District by the State Land Use District Regulations and is consistent with Section 205-2, Hawaii Revised Statutes, as amended, and the Interim Statewide Land Use Guideline Policies established pursuant to Section 205-16.1, Hawaii Revised Statutes, amended, and by State Land Use District Regulation 6-1.





DECISION AND ORDER

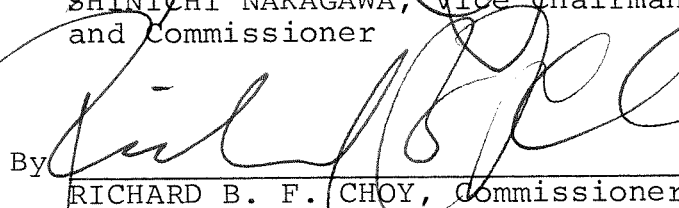
IT IS HEREBY ORDERED that the property which is the subject of the Petition in this Docket Number A80-478, consisting of approximately 15.4 acres at Puaa 1st, North Kona, Island and County of Hawaii, identified as Tax Map Key 3rd Division, 7-5-10: 06, be reclassified from the Agricultural District to the Urban District, and the district boundaries are amended accordingly.

Done at Honolulu, Hawaii this 9th day of December, 1980, per Motion on October 15, 1980.

LAND USE COMMISSION  
STATE OF HAWAII

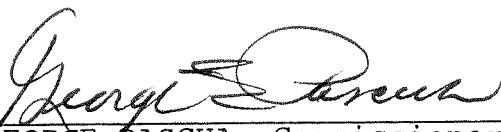
By   
C. W. DUKE, Chairman and  
Commissioner

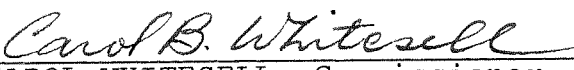
By   
SHINICHI NAKAGAWA, Vice Chairman  
and Commissioner

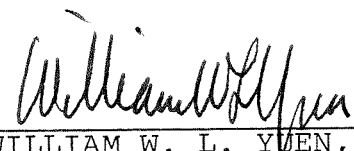
By   
RICHARD B. F. CHOY, Commissioner

By   
SHINSEI MIYASATO, Commissioner

By   
MITSUO OURA, Commissioner

By   
GEORGE PASCUA, Commissioner

By   
CAROL WHITESELL, Commissioner

By   
WILLIAM W. L. YEN, Commissioner

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 DONALD E. KRAEMER, INC. AND ) DOCKET NO. A80-478  
 JOHN P. ELLBOGEN )  
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 District Boundary of property )  
 situate at North Kona, Island )  
 and County of Hawaii, State )  
 of Hawaii )  
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the Land Use Commission's 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:

HIDETO KONO, Director  
Department of Planning & Economic Development  
State of Hawaii  
250 South King Street  
Honolulu, Hawaii 96813

ANNETTE CHOCK, Deputy Attorney General  
Department of Attorney General  
Capital Investment Building  
Penthouse, 850 Richards Street  
Honolulu, Hawaii 96813

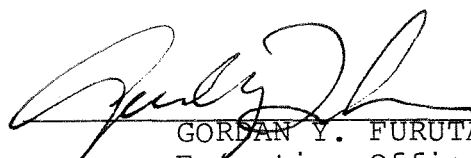
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JOHN P. ELLBOGEN  
P. O. Box 1928  
Casper, Wyoming 82602

DATED: Honolulu, Hawaii, this 16th day of December, 1980.

  
\_\_\_\_\_  
GORDON Y. FURUTANI  
Executive Officer