

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)	DOCKET NO. A85-597
)	
KAUPULEHU DEVELOPMENTS)	KAUPULEHU DEVELOPMENTS
)	
To Amend the Conservation Land Use)	
District Boundary into the Urban)	
District and to Amend the Urban)	
Land Use District Boundary into)	
the Conservation District for)	
approximately 698 acres at)	
Kaupulehu, North Kona, Hawaii Tax)	
Map Key No. 7-2-03: Portion of)	
Parcel 1)	
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FINDINGS OF FACT,
CONCLUSIONS OF LAW,
AND DECISION AND ORDER

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FINDINGS OF FACT, CONCLUSIONS OF LAW
AND DECISION AND ORDER

Kaupulehu Developments, a Hawaii joint venture (hereinafter referred to as "Petitioner") filed this Petition on September 25, 1985, and an amendment to the Petition on June 24, 1986, pursuant to Section 205-4, Hawaii Revised Statutes, as amended, and the Rules of Practice and Procedure of the Land Use Commission, State of Hawaii, to amend the land use district boundaries for approximately 575 acres of land from the Conservation District into the Urban District and to amend the land use district boundaries for approximately 123 acres of land from the Urban District into the Conservation District situate at Kaupulehu, North Kona, island of Hawaii, Tax Map Key No.: 7-2-03: portion of parcel 1 (hereinafter the "Property") for an intermediate resort and golf course uses. The Land Use Commission (hereinafter referred to as the "Commission"),

having heard and examined the testimony, evidence and argument of counsel, presented during the hearings, the Stipulation for Proposed Findings of Fact, Conclusions of Law, hereby makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

PROCEDURAL MATTERS

1. On September 25, 1985, the Petition, including an environmental assessment was filed with the Commission.

2. On October 17, 1985, the Commission determined that an environmental impact statement was required. The Environmental Impact Statement Preparation Notice was filed on October 23, 1985. The Order requiring the preparation of the environmental impact statement was filed on October 28, 1985.

3. On January 31, 1986, and July 8 and 9, 1986, the Commission held a hearing on the Petition pursuant to notice published in the Honolulu Advertiser and Hawaii Tribune Herald on December 20, 1985.

4. On June 17, 1986, the Commission accepted Petitioner's final environmental impact statement. The Order accepting the final environmental impact statement was filed on July 1, 1986.

5. On June 24, 1986 a prehearing conference was held.

6. The Commission received no petitions to intervene.

7. On July 8, 1986, Tim Newstrom, Roland Higashi, and Alfie Fujitani testified as public witnesses.

DESCRIPTION OF PROPERTY

8. The Property, which is approximately six miles north of Keahole Airport, is bounded on its mauka boundary by the Queen Kaahumanu Highway, on the south by the Kukio Ahupua'a, on the north by Conservation District, and on its makai boundary by the shoreline and the existing Kona Village Urban District. Portions of the Property proposed for reclassification to the Conservation District are part of the existing Urban District which includes the Kona Village Resort.

9. Excluded from the Property are areas of archaeological significance and ponds which are currently in the Conservation District.

10. Petitioner leases the Property from the Bernice Pauahi Bishop Estate, which has authorized Petitioner to apply for all necessary governmental approvals including this Petition for land use district boundary amendment.

11. The Property experiences an average of less than ten inches of rainfall annually and is characterized by both a'a and pahoehoe lavas with little soil or ground cover.

12. The Property is well to excessively well drained and is rated poor for agricultural potential.

13. Four different land types have been identified on the Kaupulehu makai lands including the Property, by the U.S. Department of Agriculture Soil Conservation Service (SCS) (December 1973) in a comprehensive soil survey of the Island of Hawaii. They are AA Lava Flows (rLV), Pahoehoe Lava Flows

(rLW), Rock Land (rRO), and Beach Areas (BH). None of the four are agriculturally significant.

14. Portions of the Property near the shoreline are subject to tsunami inundation and are designated Zone VII or Coastal High Hazard Areas by the Federal Insurance Administration's Flood Insurance Rate Map. The tsunami elevation is approximately seven feet above mean sea level and flooding limits range from the shoreline to 500 feet inland.

15. The Property is within the County of Hawaii Special Management Area and will require SMA permits.

PAST LAND USE COMMISSION ACTION IN THE AREA

16. On June 27, 1962, the Commission approved Special Permit Docket No. (T)62-2 - J.M. Jackson to construct and operate the Kona Village Resort on 62 acres within the Temporary Agricultural District at Kaupulehu. The area was subsequently classified by the Commission into the Conservation District.

17. In its 1974 five-year boundary review, the Commission approved the request of Hualalai Development, and Island Copra and Trading Company, Ltd., to reclassify approximately 318 acres from the Conservation to the Urban District. The request included the original 62 acres developed under the special permit and adjacent lands but excluded approximately 26 acres of archaeological sites and ponds to remain in the Conservation District.

18. In 1981, the Commission approved the request of Cambridge Pacific, Inc., the purchaser of the master lease from Hualalai Development Corporation and Island Copra and Trading Company, in Docket No. A81-524 to reclassify 65 acres around the Kona Village Resort from Urban to Conservation in exchange for reclassifying 65 acres from Conservation to Urban approximately 1,500 yards to the north. Cambridge Pacific, Inc. proposed to develop low rise, medium density hotel/condominium units on the Urban lands.

PROPOSAL FOR DEVELOPMENT

19. Petitioner proposes to develop the Property into a self-contained, intermediate resort/residential community to be known as the "Kaupulehu Resort." The proposed project will be a low density development integrating a hotel and beach club, beach and golf condominiums, and a full range of facilities and amenities, including two championship golf courses.

20. Petitioner proposes to provide a buffer to Kona Village Resort and protection to certain archaeological sites by redistricting the Urban land abutting Kona Village Resort into the Conservation District.

21. The proposed reclassification would also allow Kona Village Resort to expand its operations by acquiring from Petitioner an additional 22 acres of land, 9.5 acres of which are part of the Property proposed to be reclassified to the Urban district.

22. Petitioner and the owners of Kona Village Resort, Kona Village Partnership, have executed an agreement dated June 5, 1986 which includes specific measures to mitigate various potential impacts between Kona Village Resort and Petitioner's proposed project.

23. Petitioner proposes to develop a 600-900 room hotel and beach club situated inland of Kumukehu Point, 50-150 luxury beach condominium units located north of the proposed hotel and beach club, and 300-450 condominium units situated within two golf courses in the mauka and eastern portions of the Property.

24. Petitioner plans to incorporate ponds and significant archaeological remains into the overall design of the resort development and to provide open space between the shoreline and the resort facilities. In addition, three inland archaeological preserves would be integrated into the proposed project.

25. Petitioner proposes to complete the hotel, the two golf courses and clubhouse, approximately 115 of the beach condominium units at Sites A and B, and approximately 130 of the golf condominium units as identified on Petitioner's Exhibit No. 8, at Site C within five years of obtaining final governmental approvals.

26. Petitioner plans to commence construction of an additional 80 beach (Site B) and golf (Site D) condominium units during the first five years after obtaining final

governmental approvals. The remaining golf condominium units Sites D and E as identified on Petitioner's Exhibit No. 8, are planned for construction during the second five-year period.

27. Petitioner estimates the construction cost of proposed project to be approximately \$260 million, based on 1986 dollars. Petitioner estimates infrastructural costs will be approximately \$17 million.

PETITIONER'S FINANCIAL CAPABILITY TO UNDERTAKE THE PROPOSED DEVELOPMENT

28. Petitioner is a joint venture consisting of Barnwell Hawaiian Properties, Inc., a Delaware corporation licensed to do business in Hawaii, and Cambridge Pacific, Inc., a Hawaii corporation. Barnwell Hawaiian Properties, Inc., is a wholly owned subsidiary of Barnwell Industries, Inc., a publicly held company. Cambridge Pacific, Inc., is a 97% owned subsidiary of Cambridge Pacific Holdings, Ltd.

29. Barnwell Hawaiian Properties, Inc. as of March 21, 1986, lists total assets of \$3,766,190.

30. Barnwell Industries, Inc., the parent corporation of Barnwell Hawaiian Properties, Inc., as of March 31, 1986, lists total assets of \$21,624,000.

31. Petitioner intends to retain control of the proposed project throughout the course of its development.

COUNTY AND STATE PLANS AND PROGRAMS

32. The Property is classified as Urban and Conservation on the State Land Use Commission maps. Shoreline

portions of areas classified within the Conservation District are within the Resource Subzone, while remaining Conservation District areas are within the General subzone.

33. The Hawaii County General Plan identifies the Kaupulehu area, including the Property, as an "Intermediate Resort Area." An intermediate resort area is a self-contained resort destination area which provides basic and support facilities, including a maximum of 1,500 visitor units, residential developments, and recreational amenities for the needs of the entire development, but on a smaller scale than a Major Resort Area. A General Plan amendment is not required.

34. The Property is situated within the County's Open (O) zoned district.

35. The Kona Regional Plan, adopted by the Hawaii County Planning Commission, recognizes the Kaupulehu area as a resort destination area.

NEED FOR THE PROPOSED DEVELOPMENT

36. Petitioner projects that the number of westbound visitors to the Island of Hawaii will increase from an estimated level of 763,000 in 1984, to 1,400,000 by 2000 and an increase in number of eastbound visitors to the island from 193,000 in 1984 to 550,000 by 2000.

37. North and South Kohala currently contain about 1,365 transient accommodation units.

38. Petitioner estimates that, assuming a 70% occupancy rate, the estimated total demand for transient

accommodations in North and South Kohala is projected to increase from 1,300 units in 1984 to 8,000 in 2000 resulting in a projected net demand (subtracting existing units) in North and South Kohala for another 200 units by the end of 1985, 3,100 units by 1990, 4,900 units by 1995 and 6,600 units by 2000.

39. Petitioner has entered into discussions with Princess Hotels International as a possible operator of the hotel to be constructed on the Property.

40. Petitioner proposes to charge daily hotel room rates of over \$200.00.

41. Petitioner projects a net demand for multi-family units at the Kaupulehu site of 200 units by 1990, 400 to 600 units by 1995, and 600 to 1,200 units by 2000. Petitioner anticipates about half of these units would be used for transient accommodations and half for other uses.

42. Petitioner projects there is a net additional demand for golfing activity in the proposed Kaupulehu Resort of 31,000 to 81,000 annual rounds by 1990.

IMPACT UPON RESOURCES OF THE AREA

Offshore and Onshore Waters

43. The State Department of Health, Water Quality Standards classifies marine waters off Kaupulehu as Class AA. The objective of Class AA is that these waters remain in their natural pristine condition.

44. Petitioner does not anticipate the proposed development to have a significant adverse effect on the offshore marine environment. Petitioner will monitor the use of herbicides and pesticides on the golf courses and other landscaped areas.

45. The U.S. Department of the Interior, Fish and Wildlife Service states that eight anchialine ponds were found and described during 1985 and 1986. Anchialine ponds are classified as resource Category 1, indicating high habitat value to their indigenous aquatic biota and are scarce on a national and ecoregion basis.

46. Petitioner will preserve all anchialine ponds found on the Property and intends to incorporate all the ponds into its design concept. Petitioner will develop an anchialine pond management plan in coordination with public and private entities.

Flora/Fauna

47. Petitioner's botanical consultant conducted a survey of the makai Kaupulehu lands in April 1985 and found 70 species of plants. Twenty-six were native (15 indigenous, 11 endemic) to the Hawaiian Islands. One candidate endangered species was found and described as the Ohai Tree (*Sesbania arobrea*). Petitioner proposes to design its concept plan so that the Ohai Tree will be located near an archaeological preserve and that an undisturbed site of at least a 100-foot

diameter will be established around the plant to keep the area intact.

48. Phillip L. Bruner conducted a survey of the animal and bird life on Kaupulehu makai lands in April, 1985. The field survey confirmed the presence of indigenous and migratory bird species, mongoose, dogs and cats, mice, goat, and donkey. No threatened or endangered species were encountered and no evidence of such species being at the Property was found.

Historical/Archaeological Resources

49. The State Department of Land and Natural Resources (DLNR) indicates that about 205 historic sites have been identified in makai Kaupulehu and 108 sites appear to be on the Property. The DLNR further indicates that at least 18 sites have probable cultural significance and include burials, shrines, trails and habitation complexes.

50. Petitioner's archaeological consultant, Paul H. Rosendahl, Ph.D., Inc., undertook an archaeological survey and testing in February and March 1986 of the Property in order to determine and document significant remains. An intensive survey was conducted at a total of 53 sites within the project area.

51. Petitioner will incorporate nine sites into the concept master plan for preservation and nine other sites will undergo further intensive study before possible destruction or will be preserved and integrated into the development.

52. The DLNR, Division of State Parks, recommends that an intensive survey of the Property be undertaken and a report of this survey be submitted within a reasonable time thereafter. It further recommends that preservation and archaeological data recovery should occur prior to construction. Petitioner will comply with these recommendations, and any other recommendations by the State and County regarding archaeological and historical resources.

Scenic and Aural Attributes

53. The Kona Village Resort was designed to be deliberately isolated, sensitive to landscaping, situated away from Queen Kaahumanu Highway and other urban developments which results in a unique setting free from noise, air pollution, and major nighttime illumination, as well as a general absence of modern conveniences, such as radios, telephones and televisions.

54. Petitioner and Kona Village Resort owners have finalized an agreement to minimize adverse impacts to the tranquil environment of the Kona Village Resort by implementing the following:

- a. A 200-foot buffer zone around the perimeter of the Kona Village Resort, except at the southern boundary of the proposed Kona Village expansion site, where Petitioner would provide a 100-foot landscaped buffer area. Landscaping would involve dense vegetation to minimize noise and visual impacts from the Kaupulehu Resort.

b. A maximum density (6 units/acre) and a height limitation (25 feet above tsunami elevations) would apply to Kaupulehu Resort within 300 feet of the southern boundary of Kona Village.

c. Within 200 feet of the eastern and southern boundaries of Kona Village, there will be no parking lot or roadway, provided that driveways and parking relating to dwelling units in that area are permissible.

d. Within 1,350 feet of Kona Village, Petitioner will not permit any structure to be higher than 50 feet above the tsunami elevation. Types of structures would be limited to the resort/residential facilities described in Petitioner's development plan. To the extent possible, Petition would not locate a temporary construction base within the 1,350 foot zone.

e. Petitioner and Kona Village Resort will comply with State dust and erosion control requirements during construction and further mitigate adverse impacts by adhering to agreed upon construction time periods and schedules and restrictions on noisy construction activities.

f. Petitioner will consult with Kona Village Resort in the location or relocation of the entry point from Queen Kaahumanu Highway to the subject property. Both have agreed to circumstances bearing on the

sharing of cost for road construction and the ability of Kona Village Resort to have a separate entry road.

55. The proposed Kaupulehu Resort would become visible as one approaches the site, traveling in either direction on Queen Kaahumanu Highway. No structures would eliminate the highway traveler's ocean view. Open space and structural setbacks are planned for the proposed development.

ADEQUACY OF PUBLIC SERVICES AND FACILITIES

Water Service

56. The County of Hawaii does not have a public water system to serve the Property.

57. The proposed project will require a potable water supply of about 310,000 gallons per day (GPD) after five years and 530,000 GPD after ten years. In addition to the potable system, the two 18-hole golf courses will require an average irrigation supply of up to 1,500,000 GPD and as much as 2,000,000 GPD during dry periods.

58. In 1981, Petitioner drilled Well 4658-01 at elevation 1,344 feet, and concluded that water withdrawal could sustain a practical pumping limit of 400 to 450 gallons per minute (GPM). A second test well has recently been drilled nearby and found to have the same characteristics as the first well. Petitioner anticipates the two wells would provide adequate supply for the first several years of development and a third well would be necessary to complete the ten-year development plan for the project.

59. Petitioner will develop brackish water wells to irrigate the two proposed 18-hole golf courses.

60. Petitioner proposes to maintain the water system privately, and it would not be dedicated to the County of Hawaii.

Sewage Treatment And Disposal

61. Kona Village Resort has a private self-contained secondary wastewater treatment plant with a capacity of 30,000 gallons.

62. Petitioner proposes to develop a secondary wastewater treatment plant to meet government standards. The location of the wastewater treatment plant would be toward the mauka boundary of the Property below Queen Kaahumanu Highway.

63. Petitioner proposes to use treated effluent for golf course irrigation and irrigation of other landscaped areas or will be disposed on the Property.

Roadway And Highway Services And Facilities

64. All traffic entering or leaving the Property and Kona Village Resort must use Queen Kaahumanu Highway. Queen Kaahumanu Highway is currently operating at level of service "A" (free flow, low volumes and high speeds) on a scale from "A" to "E." Petitioner's traffic analysis indicates that level of service "E" will not be attained through the year 1995 and that the level of service would not be higher than "C" or "D" during the project's development.

65. The State Department of Transportation recommended that Petitioner develop at no cost to the State, a channelized intersection at Queen Kaahumanu Highway with acceleration/deceleration and turning storage lanes.

66. Petitioner proposes to construct a new access to the Property to allow both the Kona Village Resort and the proposed Kaupulehu Resort to use the same exit from Queen Kaahumanu Highway. From the common entry road, Petitioner proposes separate roads to each resort.

Schools

67. Schools serving the area are Kealakehe Elementary-Intermediate (K-8) and Konawaena High School (9-12). The State Department of Education states that no significant enrollment impact is anticipated from this project.

Electrical Services

68. The Property is not served by the Hawaii Electric Light Company. Electricity for the Kona Village Resort is provided by two 500 Kilowatt generators.

69. Petitioner will contribute to the construction cost of a new Hawaii Electric Light Company substation on the mauka side of Queen Kaahumanu Highway to serve the proposed development.

Solid Waste

70. Petitioner anticipates solid waste generated from the proposed project will be disposed at the Kailua Landfill or at new County-operated landfills.

Health Care Facilities

71. The closest health care facility to the proposed project is the Kona Hospital which has a total of 79 beds (53 acute care, 26 long-term care) and 36 physicians. The Kohala Hospital in North Kohala has 26 beds (10 acute care, 16 long-term care) and 3 physicians.

Fire/Police Services

72. The North Kona District is served by the Kona Police Station. The County of Hawaii Police Department has stated that no adverse effects on police services are expected from the proposed project.

73. The proposed project is within the service area of the Kailua and Waimea Fire Stations and the proposed station at the Mauna Lani Resort.

Housing and Economic Impacts

74. Petitioner estimates that the proposed development would create 1,060 direct and 550 indirect jobs. Petitioner estimates that, assuming a household formation rate of 0.60 per job, 15-25% direct, indirect and induced other-islands workers from the Kaupulehu Resort project would require about 215-290 housing units.

75. Petitioner estimates that about 20% of the operational employees would be managerial or salaried and about half or about 10% will be able to afford market rate housing.

76. The expansion of Kona village Resort is expected to result in the creation of 50 more additional on-site employment opportunities.

77. Petitioner estimates that the proposed Kaupulehu Resort, in full operation, would generate \$103.1 million per year in direct, indirect, and induced goods and services. Petitioner estimates the proposed Kaupulehu Resort is expected to generate in 1986 dollars, \$31.2 million in public revenues and \$7.9 million in public costs, resulting in a favorable revenue-cost ratio of 4.0 to 1.0.

Public Access

78. Petitioner plans to provide an initial public access and parking to the shoreline from Queen Kaahumanu Highway on the north side of the Property and a second access with parking from Queen Kaahumanu Highway to the shoreline in the southern portion of the Property.

79. Petitioner will provide lateral pedestrian access over the Property after the mauka-makai accesses are in place. Petitioner proposes that the shoreline path go inland and around the Kona Village Resort to facilitate access to the archaeological preserves and to help mitigate potential adverse impact on Kona Village Resort.

CONFORMANCE TO STATE LAND USE DISTRICT REGULATIONS

80. Petitioner's proposed reclassification conforms to the following State Land Use District Regulations for determining Urban District Boundaries as follows:

Part II. 2-2 (1)(b) "It (urban district) shall take into consideration the following specific factors:"

Part II. 2-2 (1)(b)(1) "Proximity to centers of trading and employment facilities except where the development would generate new centers of trading and employment."

The proposed reclassification is contiguous to an existing Urban District and is proposed to be developed in conjunction with an employment-generating full-service hotel.

Part II. 2-2 (1)(b)(3) Proximity to basic services such as sewers, water, sanitation, schools, parks and police and fire protection."

Public services and facilities are available or will be made available to service the Property. The Petitioner will develop additional water, power and traffic facilities. The Petitioner will also develop public accesses to the shoreline.

Part II. 2-2 (1)(d) "In determining urban growth for the next ten years, or in amending the boundary, lands contiguous with existing urban areas shall be given more consideration than non-contiguous lands, and particularly when indicated for future urban use on state or county general plans."

The proposed reclassification is an expansion of the Kona Village Resort Urban District and is compatible with the County General Plan.

Incremental Districting

81. Petitioner states the luxury hotel, two golf courses and approximately 150 condominiums will be completed within five years after all governmental approvals are obtained.

CONFORMANCE WITH THE HAWAII STATE PLAN

82. The proposed reclassification conforms to the following goal of the Hawaii State Plan:

Objectives and Policies

Section 4(1) "A strong, viable economy, characterized by stability, diversity, and growth, that enables the fulfillment of the needs and expectations of Hawaii's present and future generations."

Petitioner's proposed Kaupulehu Resort will create and enhance employment opportunities for Hawaii residents due to the development of a full-service hotel. This hotel will provide employment both during and after construction.

RULING ON STIPULATED PROPOSED FINDINGS OF FACT

Any of the stipulated proposed findings of fact submitted by the parties not adopted by the Commission herein, or rejected by clear 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 District Regulations of the Commission, the Commission finds upon a preponderance of evidence that the reclassification of approximately 575 acres from the Conservation District into the Urban District and the reclassification of approximately 123 acres from the Urban District into the Conservation District at Kaupulehu, North Kona, Island of Hawaii, Tax Map Key No.: 7-2-03: portion of parcel 1 for an intermediate resort and golf

course uses, subject to the conditions stated in the Order, conforms to the standards established in the State Land Use District Regulations, is reasonable and non-violative of Section 205-2, Hawaii Revised Statutes, and the Hawaii State Plan, as set forth in Chapter 226, Hawaii Revised Statutes, as amended.

ORDER

IT IS HEREBY ORDERED that approximately 575 acres of the Property being the subject of this Docket No. A85-597 by Kaupulehu Developments, situate at Kaupulehu, North Kona, Hawaii, and identified as Hawaii Tax Map Key No. 7-2-03: portion of parcel 1, and approximately identified on Exhibit A attached hereto and incorporated by reference herein, for reclassification from the Conservation District to the Urban District; and the remaining balance of the Property, consisting approximately 123 acres, situate at Kaupulehu, North Kona, Hawaii, and identified as Hawaii Tax Map Key No. 7-2-03: portion of parcel 1, and approximately identified on Exhibit A, for reclassification from the Urban District to the Conservation District, shall be and hereby is approved subject to the following conditions:

1. Petitioner shall cause to be provided housing opportunities for low and moderate income Hawaii residents and for employees employed on the Property by constructing and offering for sale or rent, on a preferential basis on its own or in cooperation with either or both the Hawaii Housing

Authority and the County of Hawaii, within or without the Property, a number of residential units not less than ten percent (10%) of the number of residential units to be developed on the Property to residents of Hawaii and/or employees employed on the Property of low and moderate income as determined by the Hawaii Housing Authority or the County of Hawaii from time to time or by contributing to the development of such housing without the Property. The preferential units shall be offered for sale or rent at prices that would enable such purchasers to qualify for and obtain State-assisted financing (e.g., Act 105 or Hula Mae) or federally-insured or assisted financing (e.g., FHA, Section 245 Program) intended to encourage home ownership by low and moderate income families or employees.

2. Petitioner shall coordinate with Bishop Estate and Kona Village Resort to construct a buffer zone on the Property, separating the Kona Village Resort and expansion area from the Property as per agreement dated June 5, 1986, and as approximately located in Petitioner's Exhibit 24.

3. Petitioner shall fund the design and construction of highway improvements for access to the Property as may be required by the State Department of Transportation.

4. Petitioner shall develop a full service hotel on the Property in conjunction with the recreational and residential projects in order to assure greater employment opportunities.

5. Petitioner shall provide a minimum of two mauka to makai public accesses from the Queen Kaahumanu Highway to the shoreline and a continuous trail along the seaward boundary of the Property, which trail shall be available to the public for recreational use. Petitioner shall provide space for parking stalls at each of the mauka-makai accesses. Petitioner shall coordinate plans for shoreline access with the Department of Land and Natural Resources and the County of Hawaii.

6. Petitioner shall conduct an intensive archaeological survey of the Property and submit the findings to the Department of Land and Natural Resources, Historic Sites Office. Should any sites be discovered during construction, work within the affected area shall stop immediately and Petitioner shall notify appropriate State and County agencies and take such measures as required by the appropriate State and County agencies to preserve such historical or archaeological site.

7. Petitioner shall develop a management plan for the existing anchialine ponds in coordination with the State Department of Land and Natural Resources and other appropriate agencies.

8. 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.

DOCKET NO. A85-597 - KAUPULEHU DEVELOPMENTS

Done at Honolulu, Hawaii, this 24th day of October
1986, per motions on September 23, 1986 and October 21, 1986.

LAND USE COMMISSION
STATE OF HAWAII

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

By *Frederick P. Whittemore*
FREDERICK P. WHITTEMORE
Vice Chairman and Commissioner

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

By *Toru Suzuki*
TORU SUZUKI
Commissioner

By *Richard B. F. Choy*
RICHARD B. F. CHOY
Commissioner

By *Everett L. Cuskaden*
EVERETT L. CUSKADEN
Commissioner

By *Winona E. Rubin*
WINONA E. RUBIN
Commissioner

PACIFIC OCEAN

Kaupulehu
Lava Flow

Kahawai Bay

KONA
VILLAGE

Kukio Bay

KUKIO

Kakapa Bay

to Kawaihae

KUKIO

KUKIO

MANINIOWALI

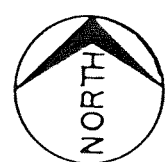
QUEEN KAAHUMANU HIGHWAY



AREA APPROVED FROM
URBAN TO CONSERVATION



AREA APPROVED FROM
CONSERVATION TO URBAN



LOCATION MAP

TMK: 7-2-3 Por. I
KAUPULEHU, HAWAII

EXHIBIT A

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of) DOCKET NO. A85-597
KAUPULEHU DEVELOPMENTS)
To Amend the Conservation Land Use)
District Boundary into the Urban)
District and to Amend the Urban Land)
Use District Boundary into the)
Conservation District for approximately)
698 acres at Kaupulehu, North Kona,)
Hawaii Tax Map Key No. 7-2-03: Portion)
of Parcel 1)

CERTIFICATE OF SERVICE

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

KENT M. KEITH, Director
Department of Planning and Economic Development
State of Hawaii
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Honolulu, Hawaii 96813

ALBERT LONO LYMAN, Planning Director
Planning Department
County of Hawaii
25 Aupuni Street
Hilo, Hawaii 96720

R. BEN TSUKAZAKI, Esq.
100 Pauahi Street
Suite 204
Hilo, Hawaii 96720

DATED: Honolulu, Hawaii, this 24th day of October 1986.



ESTHER UEDA
Executive Officer

DOCKET NO. A85-597 - KAUPULEHU DEVELOPMENTS

A copy of the Land Use Commission's Decision and Order was served upon the following by regular mail on October 24, 1986.

EVERETT KANESHIGE, Deputy Attorney General
Department of the Attorney General
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