

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition)
)
 of)
)
 GROVE FARM COMPANY, INCORPORATED,)
 for a Petition to Amend the)
 District Boundary of Property)
 situate at Puhi and Lihue, Island)
 and County of Kauai, State of)
 Hawaii.)
)
 _____)

DOCKET NO. A79-467

DECISION AND ORDER

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition)	DOCKET NO. A79-467
)	
of)	FINDINGS OF FACT;
)	CONCLUSIONS OF LAW;
GROVE FARM COMPANY, INCORPORATED,)	DECISION AND ORDER
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FINDINGS OF FACT; CONCLUSIONS OF LAW;
DECISION AND ORDER

This matter, being a proceeding 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 consider a Petition to amend District Boundaries and reclassify from Agricultural to Urban certain parcels of land (hereinafter "the subject property") situate at Puhī and at Lihue, Island and County of Kauai, State of Hawaii, was heard by the Land Use Commission in Lihue on February 26, March 5 and April 1, 1980. The mandatory parties admitted to the proceedings were Petitioner Grove Farm Company, Incorporated, the Planning Department of the County of Kauai (hereinafter "C of K"), and the Land Use Division of the State of Hawaii Department of Planning and Economic Development (hereinafter DPED).

The Commission, after having duly considered the testimony given, the evidence presented, the proposed Findings of Fact and Conclusions of Law submitted by the mandatory parties and Intervenor Niumalu-Nawiliwili Tenants Association,

and the files and records in this Docket, hereby makes the following findings of fact and conclusions of law.

FINDINGS OF FACT

PROCEDURAL MATTERS:

1. The petition was filed on September 28, 1979 by petitioner to amend the District Boundaries and to reclassify from Agricultural to Urban approximately 45 acres of land at Puhi, Island and County of Kauai (hereinafter "the Puhi Parcel"), and approximately 41 acres of land at Lihue, Island and County of Kauai (hereinafter "the Lihue Parcel").

2. Notice of Hearing, scheduled for February 26, 1980, at 9:30 a.m., Conference Rooms A, B, & C, State Building, 3060 Eiwa Street, Lihue, Kauai, was published in the Honolulu Advertiser and in The Garden Island on January 18, 1980.

3. Petitions for Intervention were timely filed by:

a. Niimalu-Nawiliwili Tenants Association (hereinafter "NNTA").

b. 1,000 Friends of Kauai (hereinafter "1,000 Friends").

c. Bill Kaipo Asing (hereinafter "Asing").

4. A Prehearing Conference, attended by all of the mandatory parties and the persons who filed Petitions for Intervention, was held on February 19, 1980, at 9 a.m., in Conference Room A, State Building 3060 Eiwa Street, Lihue, Kauai.

5. The deadline for filing to appear as a public witness was February 19, 1980.

6. On February 21, 1980, an untimely request to appear as a public witness was filed by Elizabeth Ann Stone.

7. On February 26, 1980, the Commission acted on the Petitions for Intervention as follows:

a. The petition of NNTA was approved and it was admitted as a party.

b. The 1,000 Friends' petition was permitted to be withdrawn at the request of its attorney, Stephen A. Levine, and authorized a representative of the group to appear as a public witness.

c. Denied the petition of Asing; however, authorized him to appear as a public witness.

8. The Commission denied the request of Elizabeth Ann Stone to appear as a public witness.

9. The Commission denied NNTA's motion for defective filing.

DESCRIPTION OF THE SUBJECT PROPERTY:

10. The Puhi Parcel is situated in Puhi, Kauai, on the southerly side of Kaunualii Highway and on the westerly side of Petitioner's office building, Tax Map Key 3-3-2: portion of parcel 1, containing an area of approximately 45 acres.

11. The Lihue Parcel is situated in Lihue, Kauai, on the southwesterly side Nawiliwili Road, Tax Map Key 3-3-3: portion of parcel 1, containing an area of approximately 41 acres.

12. Both of said parcels are owned by the Petitioner in fee simple.

13. The Puhi Parcel has no visible rock outcrops, slopes gently at 2% in the southerly direction, and the elevation is approximately 315 feet above sea level.

14. The Lihue Parcel has no visible rock outcrops, slopes gently at 3% in the easterly direction, and the elevation is approximately 200 feet above sea level.

15. The average rainfall for the area of the subject property is 50 inches per year.

16. The subject property is not susceptible to natural hazards and is removed from tsunami inundation.

17. The Land Study Bureau of the University of Hawaii classified the subject property as 4li with an overall productivity rating of "B" in a five-step system of A, B, C, D and E, with A being the representation of highest productivity land and E the lowest. Land type B4li is a very common land type associated with sugar production on Kauai.

18. The State of Hawaii Department of Agriculture has advised that the soils on the subject property are highly suitable for the cultivation of sugar cane. The soils meet the criteria necessary to qualify as "Prime Agricultural Land" under the "Agricultural Lands of Importance to the State of Hawaii" classification system.

19. The U.S. Soil Conservation Service has classified the soil for the Puhi Parcel as PnB: Puhi silty clay loam, 3 to 8% slope. The shrink-swell potential is classified as moderate, and corrosivity of the soil is classified as high for uncoated steel and moderate for concrete. The Lihue Parcel Soil is classified as LhB: Lihue Series, dark, reddish brown, silty clay, 0 to 8 percent slope. The

shrink-swell potential is classified as moderate and the corrosivity of the soil is classified as low for uncoated steel and moderate for concrete. The soil for both parcels is suitable for the proposed development.

20. Both parcels are currently in sugarcane cultivation.

21. The Puhi Parcel is contiguous to the Puhi Urban District.

22. The Lihue Parcel is across Nawiliwili Road from the Lihue Urban District.

PROPOSAL FOR RECLASSIFICATION:

23. Petitioner proposes to develop and use the 45 acres in the Puhi Parcel for the following purposes:

- 21.5 acres for an R-6 housing project
- 3.5 acres for an R-10 multi-family housing project
- 5.0 acres for a light industrial park
- 1.0 acres for a park
- 14.0 acres to be kept "Open"

Petitioner, which has a general contractor's license, will use its construction crew for the development of the subdivision, installation of the on-site and off-site improvements, and the construction of all of the buildings within the subdivision.

24. Petitioner can start work on the subdivision improvements of the Puhi Parcel immediately after receipt of all governmental approvals, and the subdivision can be sufficiently completed within one year from start of construction so that construction of the buildings can begin and all construction completed by 1984-1985.

25. The approximate land development cost of the Puhi Parcel based on current prices is \$1.50 to \$2.00 per square foot.

26. The area of the old Puhi Camp situated across Kaunualii Highway from Puhi Parcel is to become a part of the

Kauai Community College in 1983. One of the reasons for the development of the Puhi Parcel is to accommodate those persons currently residing in the Puhi Camp. Another reason for this proposed development is to provide work for petitioner's construction crew which is scheduled to run out of work in two years from now.

27. The R-6 houselots will contain approximately 7,500 square feet, and 3-bedroom, 1-1/2 bathroom, hollow tile houses will be built thereon and sold in fee simple to Kauai residents. First-purchase rights will be given to current active employees of petitioner at below the market price. Second purchasing preferences will be given to pensioners and former employees of petitioner now living in the Puhi Camp. The remaining houses, if any, will be offered for sale to other Kauai residents with priority given to former employees of petitioner. The price of the house-and-lot packages for the preferential purchasers at today's prices will be \$75,000.00.

28. The 3.5-acre, R-10 development will contain 35 multi-family units and will be used to provide housing for petitioner's pensioners now living in the old Puhi Camp. Also, petitioner intends to cooperate with the County Housing Department to make housing available in this project to other elderly persons of Kauai.

29. The 5 acres for the light industrial area will be divided into half-acre lots to be leased primarily for warehouse type uses.

30. There will be some open zone between the residential and the light industrial areas. Also, the light industrial area will be at an elevation lower than the adjacent residential area, and will be sloped and landscaped to prevent visual connection and to provide a sound barrier between the two areas.

31. Petitioner proposes to develop the 41 acres in the Lihue Parcel into a R-4 residential subdivision. Work on the subdivision will start immediately after receipt of all governmental approvals. The work on this subdivision will be performed concurrently with the work on the Puhi Parcel and will also be done by petitioner's construction crew. The size of the lots of this subdivision will be 9,000 plus square feet and will be offered for sale, lots only, to Kauai residents at \$5.00 per square foot at today's prices.

32. The quality of the subdivision of the Lihue Parcel will be comparable to the Ulu Mahi subdivision which is across Nawiliwili Road. The conveyances will contain certain restrictions to maintain the quality of the subdivision.

STATE AND COUNTY PLANS:

33. The Land Use District Map K-11, Lihue, Kauai, shows the subject property to be in the Agricultural District.

34. The General Plan was adopted by the County of Kauai in July, 1971.

35. To update the General Plan, the County adopted the Lihue Development Plan in November, 1977.

36. The Lihue Development Plan recommends that urban development of Lihue be primarily towards Puhi.

37. Petitioner prepared a Master Plan of its land designated Project District on the County General Plan and the Lihue Development Plan.

38. Both the Puhi Parcel and the Lihue Parcel are within the Project District area.

39. Urban uses of the subject property are permissible under the Project District designation of the County General Plan and the Lihue Development Plan. However, the specific urban uses proposed are subject to county approval.

40. The present County zoning of the subject property is "Agricultural District (A)". County zoning amendment will be required if the Urban District boundary change is approved for the subject property.

NEED FOR GROWTH AND DEVELOPMENT:

41. There are 70 or more families living in the old Puhi Camp who need to be relocated because the area of the Puhi Camp is to become a part of the Kauai Community College in 1983.

42. In addition, petitioner has a list of more than 500 persons interested in purchasing the house-and-lot packages. Most of these persons are former employees of petitioner.

43. There is an island-wide need for low-cost housing and housing for the elderly.

44. The C of K, DPED, and 1,000 Friends of Kauai favor the development of the Puhi Parcel to provide housing to Kauai residents.

45. Adjacent to the five acres proposed for the light industrial park, petitioner has space of more than 80,000 sq. ft on 10 acres (presently zoned for light industrial uses) which is 100% occupied. Petitioner has been unable

to accommodate other persons who are interested in leasing space for industrial purposes.

46. Amfac Communities is presently developing 68 lots in the Lihue Industrial Park Unit II, for which it has a list of more than 200 names of interested purchasers and lessees.

47. There are very few vacantouselots in Lihue, and noouselots in the Lihue area were advertised for sale in the year 1979. A check of the advertisements in the February 28, 1980 issue of the Garden Island newspaper showed that there were 96 properties advertised for sale. The Multiple Listing Service for the same day showed that there were 106 properties advertised for sale. However, of the properties advertised for sale in both media, none was located in Lihue.

48. There are only two large urban parcels in Lihue not in sugarcane cultivation and properly zoned for residential developments as proposed. One is zoned R-4 and the other is zoned R-6. The R-4 parcel containing seven acres is at Kupolo adjacent to the Lihue Town Estates. Due to its topography, only three or four acres of the seven acres can be developed into R-4 lots. No application has been submitted for the development of this parcel. The R-6 parcel containing 15 acres abuts Ulu Mahi I, for which there is a pending application for 150 detached units.

49. There are a total of 14 vacantouselots in Lihue (11 in Molokaa and three in Ulu Mahi I) which would be comparable in quality and size to the R-4ouselots in the proposed subdivision.

50. Of the 770 home owners surveyed in the Lihue Town Estates, Wiliko, Ulu Mahi I and Puhī Subdivisions,

95% are first-time purchasers, 4% are second purchasers and 1% are third purchasers.

51. When 57 houselots in Ulu Mahi II were offered for sale last year, they were all sold in one week without any advertising. Over 95% of these purchasers are residents of Kauai.

52. Petitioner has a list of 259 prospective purchasers of lots in the proposed subdivision, of whom 141, or 54% do not own any residential real estate on Kauai. Many of the other prospects who do own real estate desire to move to Lihue or to relocate from another area of Lihue into the proposed subdivision.

53. The Executive Board of the ILWU Local 142 Kauai Division, supports the Petition for reclassification of the subject property.

54. Five hundred sixty-eight residents of Kauai have signed petitions in support of the Petition for reclassification of the subject property.

55. The C of K and the NNTA support the development of the Lihue Parcel if the need for the kind of houselots proposed is shown by the Petitioner.

56. The State of Hawaii considers providing needed housing to residents of Kauai a matter of great importance.

57. The withdrawal of the Puhi and Lihue parcels containing a total of 86 acres from sugarcane production will result in a loss of employment of one-half (1/2) of a person, but the development of the proposed projects will add more persons to the temporary and permanent employment rolls.

58. The proposed projects will result in economic advantages, such as growth in our economy, expansion of our tax base and additional tax revenues to the County and State governments.

59. The expansion of the Lihue Urban District in any direction will result in the removal of land in cane cultivation. Lihue is Kauai's population and employment center. Fifty (50) per cent of the Island's employment is in Lihue. Businessmen and residents of Kauai are desirous of and are moving to Lihue. It is beneficial for those working in Lihue to live in Lihue to save on fuel and traveling time. The development of the Puhi and Lihue parcels is reasonably necessary for the urban growth of the Lihue District.

RESOURCES OF THE AREA:

Agricultural resources:

60. Petitioner was in sugar production between the years 1865 and 1974, and had 10,000 acres of land in sugarcane cultivation, of which 7,800 acres were owned in fee and 2,200 acres were leased from the Knudsen Trusts. Upon termination of its sugar production, petitioner leased 5,000 acres of its lands to McBryde Sugar Company and 2,800 acres of its lands to Lihue Plantation Company. Both of these leases are for terms of 21 years from 1974. The lease from the Knudsen Trusts for 2,200 acres, with 21 years remaining, was assigned to McBryde Sugar Company. The leasing and assignment by petitioner of its former sugar lands as aforesaid have strengthened the operations of both the Lihue Plantation Company and the McBryde Sugar Company.

61. The Puhi Parcel, of which about 34 acres are

are presently in sugarcane cultivation, was not included in the 2,800 acres leased to Lihue Plantation Company because petitioner had intended in 1974 to develop it for employee housing. However, when this parcel was not reclassified to the Urban District during the boundary review in 1974, it was leased to Lihue Plantation Company on a crop-to-crop basis.

62. The lease to Lihue Plantation Company provides for optional, yearly withdrawals of any 25 acre increment by the petitioner on a cumulative basis. Petitioner has the right to withdraw up to 150 acres in six years. As of May 1980, about 35 acres have been withdrawn from sugarcane production under this provision.

63. Lihue Plantation Company presently has about 17,200 acres under sugarcane cultivation. The withdrawal of 86 acres for the proposed projects will only have a slight impact on the total production and on the overall profitability of Lihue Plantation Company. Moreover, such withdrawal will not substantially impair the actual potential agricultural production in the area of the Puhi and the Lihue Parcels.

64. Petitioner intends to exercise its rights of withdrawal in an orderly manner so Lihue Plantation Company can continue sugarcane production on the remaining leased lands.

65. At the time petitioner leased its lands for sugar cane production to Lihue Plantation Company with rights of withdrawal, the lessee was informed of the future withdrawal of the area within the Project District, of which the subject property is a part. For this reason, the Project District

area was left out of Agricultural Dedication. The lessee dedicated to agriculture all other leased lands. Also, in anticipation of lands being withdrawn from sugarcane production, none of the lessee's drip irrigation system has been installed within the Project District area.

66. In 1974 when 2,800 acres were leased to Lihue Plantation Company, petitioner offered to lease several hundred acres of additional land for sugarcane production. The offer to lease the additional acreage was declined due to lessee's factory being unable to handle the additional sugarcane production.

Natural resources:

67. Since both Puhi and Lihue Parcels have been in continuous agricultural use for sugarcane cultivation, there is no endangered fauna or flora on the subject property.

68. There are no fresh water and wet land resources directly on both parcels.

Environmental resources:

69. Both parcels have no environmental resources, having been primarily in sugarcane for many years. Since movement of people to the project sites will be primarily from other areas of the Island, the existing quality of life of the area will not be significantly disturbed.

Recreational resources:

70. There are no recreational resources on both parcels.

Scenic resources:

71. There are no scenic resources on both parcels.

Removal of sugarcane from the Lihue Parcel and construction

of residences on it not to exceed two stories and with adequate setbacks will improve its visual quality towards the westerly and southwesterly direction from Nawiliwili Road.

Historic resources:

72. There are no known archaeological resources on both parcels.

PUBLIC SERVICES AND FACILITIES:

Firefighting services:

73. There is a fire station in Lihue approximately 2-1/2 miles from the Puhi Parcel and approximately 2 miles from the Lihue Parcel which are available to service the projects.

Police services:

74. There is a police station in Lihue close to the fire station which will be able to service the projects.

Schools:

75. Wilcox Elementary School and Kauai High School are close to both parcels.

76. Wilcox Elementary School is presently operating at capacity and enrollment is expected to increase over the next six years. It may become necessary to request the Petitioner to assist in defraying the cost of temporary classrooms.

77. The petitioner is willing to set aside 15 acres for a future elementary school and park in the Puhi Project District.

Electrical utility services:

78. Electricity will be available to both parcels.

Water:

79. There are immense water resources on Kauai and availability of water for housing and commercial developments will not be a problem up to the year 2000.

80. The County Department of Water can provide up to 4.32 million gallons per day (MGPD) of water even if the largest pump was to go out of operation. The water consumption for Lihue-Puhi is 2.99 MGPD, leaving a surplus of 1.33 MGPD of available water.

81. Presently, there is an adequate supply of water for both of the proposed projects.

82. The transmission lines for the Puhi Parcel will have to be extended to the project site. The transmission lines for the project at the Lihue Parcel are inadequate. Petitioner is willing to pay for the costs of installing the necessary water transmission lines for both projects.

83. The additional water requirement for all pending applications for the Lihue-Puhi area is 1.08 MGPD. These pending projects, include all projects previously approved by the Kauai Planning Department, including the petitioner's shopping center, the second increment of the Lihue Industrial Park, the 110 units at Pua Loke, the HRT shopping Center, and the Lihue Gardens behind McDonald's.

84. The Department of Water calculates that the maximum daily consumption of water for the uses in the proposed developments are as follows:

Per single family unit	750 GPD
Per multi-family unit	525 GPD
Per acre of light industrial use	3,000 GPD

Based on the foregoing calculations, the Puhi project will require a total of .130 MGPD and the Lihue project will require a total of .123 MGPD for a total of .253 MGPD for both projects.

85. The Department of Water monitors the ongoing availability of water and water is not committed to any project until it is approved by the County Planning Department. To date, no projects have been disapproved on Kauai because of lack of water; however, issuance of building permits have been delayed until water is available.

86. A new well has been drilled to bring the present water capacity to 4.6 MGD. Funds are available to drill three additional wells. Additional funding is also expected to drill these three additional wells. Each well is expected to produce 200 gallons of water per minute or .288 MGD.

87. There will be a sufficient supply of water for the two proposed projects and all other foreseeable projects that may be developed in the Puhi-Lihue area.

88. Based on available supply of water, the two proposed projects can be serviced without the necessity of drilling and completion of any new wells, if no other additional developments interpose water requirements prior to the construction of the proposed projects.

89. The Department of Water's capital improvement program is for a period of six years and its water development program is for a period of 20 years.

Sewage treatment and disposal services:

90. There is no public sewer service available for both parcels. Private cesspools will be used to dispose of the sewage.

91. The 147 homes in the Puhi Subdivision and the homes in the Old Puhi Camp are all served by cesspools. The petitioner has not received reports of problems with any of these cesspools.

92. The petitioner has not encountered problems with cesspools serving its buildings in the Ulu Mahi and Puhi areas that are 40-50 years old.

93. Petitioner has experienced no adverse effect on the environment by the use of cesspools in the several subdivisions developed on Kauai by the petitioner since the 1950's.

94. Some cesspools in certain residential and commercial areas in Lihue have filled up and needed to be emptied. The overflowing of cesspools may also be corrected by use of chemicals or by dropping into the cesspool a quarter stick of dynamite to improve the seepage of the effluent.

95. The present history shows that there have been no problems with the waters of the Niumalu-Nawiliwili area from the existing septic tanks and cesspools in the Puhi-Lihue area.

96. The cesspools from petitioner's projects will not affect the Kauai Water Department's deep wells.

97. The complaint with respect to "pollution" of the lower areas of Nawiliwili Stream arose when flooding occurred during the construction of the shopping center.

98. The petitioner would be required to comply with all State Department of Health rules and regulations with respect to sewage treatment and disposal in petitioner's projects.

99. The State Department of Health and County Public Works Department review applications for subdivisions and will not grant approval if the sewage treatment disposal system is inadequate.

Solid waste disposal services:

100. Refuse and garbage disposal services will be provided by the County of Kauai for the residential lots. Such services for the light industrial development will be contracted to local private firms.

Roadway and highway facilities:

101. Approval of the proposed projects at Puhi and Lihue would have only minor impact on pm peak hour traffic on existing or proposed intersections.

102. The peak traffic hour is approximately between 3:45 to 4:45 p.m. on weekdays.

103. Highway "level of service" is a transportation terminology. Level of service expresses the conditions existing under various speed and volume conditions on any highway or street. These levels of service, designated A through E, from best to worst, cover the entire range of traffic operations that may occur. On many specific streets and highways, the better levels cannot be attained. Level of service E describes conditions approaching and at capacity (that is, critical density).

104. When the two proposed projects are completed in 1984-1985, and including other proposed developments and presently being constructed developments in the area, the intersection of Kaunaulii Highway and Nawiliwili Road will be operating at a level of service C or better.

105. Level of service C is in the zone of stable flow, but speeds and maneuverability are more closely controlled by the higher volumes. Most of the drivers are restricted in their freedom to select their own speed, to change lanes,

or to pass. A relatively satisfactory operating speed is still obtained, with service volumes perhaps suitable for urban design practice.

106. In the event that traffic capacity really increases to congestion levels at the intersection of Kaumualii Highway and Nawiliwili Road, which is unlikely, alternative paths from the site of the Lihue Parcel to Lihue are available along Haleko and Nawiliwili Roads.

107. The State Department of Transportation (DOT) had plans to realign Nawiliwili Road at Kaumualii Highway before the petitioner sought reclassification of its land in 1978 for the proposed shopping center. The realignment will improve the traffic flow and decrease certain types of accidents at the intersection of Kaumualii Highway and Nawiliwili Road.

108. Petitioner, in cooperation with DOT, will install certain mitigating measures on Kaumualii Highway to reduce potential congestion adjacent to the development area. Some of these measures include the widening of Kaumualii Highway and the installation of speed-change and left-turn lanes in the area of the entrance to the shopping center.

SCATTERIZATION AND CONTIGUITY OF DEVELOPMENT:

109. The subject property is within an area designated Project District on the County General Plan and on the Lihue Development Plan. Within a Project District certain mixed urban uses are permitted, including, but not limited to, single-family dwellings, multi-family dwellings and light industrial uses.

110. The Puhi Parcel is contiguous to an existing Urban District and the Lihue Parcel is across Nawiliwili Road from an existing Urban District.

111. The development of the subject property as proposed will make use of existing public services and facilities and will not result in the scattered urban development of the Lihue District.

CONFORMANCE WITH STATEWIDE INTERIM GUIDELINES AND STANDARDS FOR DETERMINING DISTRICT BOUNDARIES:

112. The subject property is located in an area already characterized by the existence of "city-like" concentration of people, structures, streets and urban level of services.

113. The subject property is in the Lihue District, which is Kauai's population and employment center.

114. The development of the subject property is feasible. The need and demand for the proposed single-family dwellings, multi-family dwellings and light industrial uses have been established and the petitioner has the financial capacity and the ability to undertake and complete the projects.

115. Basic services are available to the subject property or can be installed at reasonable cost to the petitioner.

116. The subject property is in an appropriate location for urban growth in the Lihue District based on a ten (10) year projection.

117. The topography and drainage of the subject property is satisfactory and is free from the danger of floods, tsunami and unstable soil conditions and other adverse environmental effects.

118. The reclassification of 45 acres of land in the Puhi Parcel and 41 acres of land in the Lihue Parcel from agricultural to urban is reasonably necessary to accommodate growth and development to-wit:

- a. The reclassification is in conformity with

Kauai General Plan and the Lihue Development Plan, which show future planned urban expansion of Lihue to be towards Puhi and the area of the subject property. Furthermore, the subject property is included in an area designated Project District on the Kauai General Plan and the Lihue Development Plan which permits single-family dwellings, multi-family dwellings and light industrial uses proposed by petitioner on the property.

b. The petitioner has shown:

(1) That there is an Island-wide need for low-cost housing and housing for the elderly, and the need to relocate those 70 or more families now occupying homes in the old Puhi Camp;

(2) That there is a need for additional light industrial areas in the Lihue District; and

(3) That there is a need for additional quality vacant houselots for home construction in the Lihue District.

119. The development of the proposed projects would not have any significant adverse effects upon the natural, environmental, recreational, scenic or historic resources of the area. The topography and drainage characteristics of the subject property make it suitable for the proposed development, and it is free from the danger of floods, tsunami, unstable soil conditions, and other adverse effects.

120. Although the subject property has a high capacity for intensive agricultural use and is presently in sugarcane cultivation, the reclassification of the property containing a total of 86 acres of agricultural land will have little

impact on Lihue Plantation Company's total sugarcane production or overall profitability and will not substantially impair the actual potential agricultural production in the area of the subject property. The decrease in sugarcane production resulting from the withdrawal of the 86 acres from agricultural cultivation can be restored by the use of efficient and economical new methods of sugarcane cultivation on the remaining lands.

121. Adequate basic public services and facilities such as electricity, telephone, gas, water, sanitation, police and fire protection are available. The petitioner will have to install new water transmission lines to the subject property, which petitioner is willing to do at its cost. Sewage transmission facilities are not available in the area of the subject property. Cesspools will be installed and maintained in compliance with county standards and State Department of Health regulations.

Development of the proposed projects at Puhi and Lihue would have only minor impact on pm peak hour traffic on the existing or proposed intersections.

122. The subject property will make maximum use of existing services and facilities, and the subject property is in an area designated for future urban expansion of the Lihue District. Therefore, the reclassification of the subject property will not contribute to scattered, spot, urban development.

123. The proposed developments will generate more temporary and permanent employment than will be lost from the withdrawal of the 86 acres from sugarcane production, will provide needed housing accessible to an existing employment

center, will assist in providing a balanced housing supply.

124. The subject property is in an area designated for future urban use on the Kauai General Plan and the Lihue Development Plan, and is within a Project District which permits a planned mix of urban uses.

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


ORDER

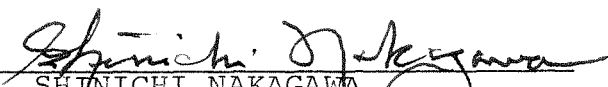
That the property which is the subject of the Petition in this Docket No. A79-467, containing a total of 86 acres, 45 acres in the Puhi Parcel situated in Puhi, Kauai, on the Southerly side of Kaumualii Highway and on

the westerly side of Petitioner's office building, identified by Tax Map Key 3-3-2: portion of parcel 1, and 41 acres in the Lihue Parcel situated in Lihue, Kauai, on the southwesterly side of Nawiliwili Road, identified by Tax Map Key 3-3-3; portion of parcel 1, shall be and hereby is reclassified from Agricultural to Urban and the District Boundaries are amended accordingly.

DONE at Honolulu, Hawaii, this 7th day of October, 1980, by Motion passed by the Commission on July 16, 1980, in Honolulu, Hawaii.

LAND USE COMMISSION
State of Hawaii

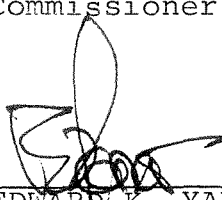
By 
C. W. DUKE
Chairman and Commissioner

By 
SHINICHI NAKAGAWA
Vice Chairman and Commissioner

By 
SHINSEI MIYASATO
Commissioner

By 
MITSUO OURA
Commissioner

By 
GEORGE R. PASCUA
Commissioner

By 
EDWARD K. YANAI
Commissioner

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition)
)
 of)
)
 GROVE FARM COMPANY, INCORPORATED,) DOCKET NO. A79-467
 for a Petition to Amend the)
 District Boundary of Property)
 Situate at Puhi and Lihue, Island)
 and County of Kauai, State of)
 Hawaii.)
 _____)

CERTIFICATE OF SERVICE

I hereby certify that a copy of the 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

BRIAN NISHIMOTO, Planning Director
Planning Department
County of Kauai
4280 Rice Street
Lihue, Hawaii 96766

MORRIS SHINSATO, County Attorney
Office of County Attorney
County of Kauai
4396 Rice Street
Lihue, Hawaii 96766

CLINTON I. SHIRAISHI
Shiraishi and Yamada
P. O. Box 1246
Lihue, Hawaii 96766

DAVID BETTENCOURT
Attorney for Intervenors
Niunalu-Nawiliwili Tenants Assn, et al
1100 Castle & Cooke Building
Financial Plaza of the Pacific
Honolulu, Hawaii 96813

DATED: Honolulu, Hawaii, this 9th day of October, 1980.



GORDAN Y. FURUTANI
Executive Officer