

Of Counsel:

IMANAKA KUDO & FUJIMOTO

A Limited Liability Law Company

BENJAMIN A. KUDO 2262-0

NAOMI U. KUWAYE 6648-0

AUSTIN A. CHING 8546-0

745 Fort Street, 17th Floor

Honolulu, Hawaii 96813

Telephone: (808) 521-9500

Attorneys for PETITIONER

WAIKOLOA MAUKA, LLC

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition of

DOCKET NO. A06-767

WAIKOLOA MAUKA, LLC

To Amend the Agricultural Land Use District
Boundaries into the Rural Land Use District for
Approximately 731.581 Acres in South Kohala
District, Island of Hawaii, Tax Map Key No. (3)
6-8-02:016 (por.)

**WAIKOLOA MAUKA, LLC'S
WRITTEN DIRECT TESTIMONY OF BRIAN A. TAKEDA**

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**WRITTEN DIRECT TESTIMONY OF
BRIAN A. TAKEDA**

BACKGROUND QUESTIONS

1. *Please state your name and business address for the record.*

Brian Takeda
Planning Project Coordinator
R. M. Towill Corporation
420 Waiakamilo Road, Suite 411
Honolulu, Hawai‘i 96817

2. *What is your current occupation?*

Urban and Regional Planner.

3. *How long have you been a planner by profession?*

Approximately 20 years.

4. *Could you briefly describe your educational background?*

Master's in Urban and Regional Planning, University of Hawai‘i at Mānoa.
Focused on fiscal impact analysis and alternative energy development disputes.

5. *Do you presently belong to any professional organizations or associations?*

American Planning Association
American Society of Civil Engineers
American Water Works Association

6. *Did you provide a copy of your curriculum vitae for purposes of this hearing?*

Yes.

7. *Is Petitioner’s Exhibit “13” a true and correct copy of your curriculum vitae?*

Yes.

8. *Could you briefly describe your training and work experience as a planner?*

I am trained as a project manager for projects involving urban and regional development. My work experience involves a range of projects from public facilities planning to private sector developments that included:

- 1 - The planned residential communities of Kukuiula in Kaua'i and the
- 2 current Waikoloa Highlands development.
- 3 - The installation of submarine fiber optic telecommunications cables
- 4 statewide on all major islands.
- 5 - The development of a wind turbine site on Maui.
- 6 - Master planning for a military installation in Japan.
- 7 - Serving on a governor's task force for the development of
- 8 Hawaiian Home Lands for Native Hawaiian beneficiaries.
- 9 - Other environmental and land use authorizations for government
- 10 and private sector projects at the federal, state, and county levels.

11

12 **9. *Where are you currently employed?***

13

14 R. M. Towill Corporation
15 420 Waiakamilo Road, Suite 411
16 Honolulu, Hawai'i 96817

17

18 **10. *Could you describe what R. M. Towill Corporation does?***

19

20 RMTC is a multidisciplinary firm providing survey, civil engineering,
21 photogrammetry, construction management, and planning services to clients in
22 the State of Hawai'i, U.S. Mainland, and countries in the Asia and Pacific Rim.

23

24 **11. *How long have you been employed by R. M. Towill Corporation?***

25

26 I have been employed approximately 16 years, starting in 1991.

27

28 **12. *What is your current position with R. M. Towill Corporation?***

29

30 I am a full time employee with the company.

31

32 **13. *What is your title or position?***

33

34 Planning Project Coordinator.

35

36 **14. *Please describe your duties and responsibilities.***

37

38 I am primarily responsible for the overall management, supervision, and
39 completion of regulatory land use and environmental entitlements under the
40 jurisdiction of federal, state, and county governmental agencies. This includes
41 either the supervision or direct production of documents such as the subject EIS,
42 as well as various other entitlements involving the special management area,
43 shoreline setback, county zoning districts, state conservation district, and other
44 federal and state regulatory entitlements involving the Clean Water Act, National
45 Historic Preservation Act, and other acts that have been made law. In this
46 capacity I am responsible for coordinating the completion of work from other

1 professional consultants and representing our clients before boards and
2 commissions, and other public and community groups and organizations.

3
4 My responsibilities also include project administration on behalf of the firm
5 including matters involving billing and contract management.
6

7 **15. *Could you describe to us what types of projects you have been involved in***
8 ***during your career, including residential projects?***
9

10 Sands of South Kona, Kahuku Ahupua‘a, Ka‘ū, Island of Hawai‘i, involved a
11 feasibility study to assess the development potential for a small-scale resort and
12 large lot residential development. The project evaluation involved parcels with an
13 overall area of approximately 19,000 acres.
14

15 Kaumana Homesteads, South Hilo, Hawai‘i, involved the development of an
16 approximately 147 acre site designed to deliver approximately 130, 1-acre
17 agricultural lots for joint residential and agricultural uses.
18

19 Kahikinui Kuleana Homesteads, East Maui, Hawai‘i, involved the assessment of a
20 site owned by the Department of Hawaiian Home Lands for the development of
21 homesteads for beneficiaries of Native Hawaiian and Hawaiian ancestry. The lots
22 were envisioned to range from 5 to 10 plus acres in size over an area of
23 approximately 2,500 acres.
24

25 Kukuiula Planned Community, Phase 1, Kōloa, Kaua‘i, Hawai‘i. This project
26 involved the preparation of various environmental entitlements for an
27 approximately 219 acre development above the coastal area of Kōloa.
28

29 **16. *Do you possess specialized knowledge or expertise of the land use permitting***
30 ***system and land use policies for the State of Hawai‘i?***
31

32 Yes, from the supervision or preparation of land use entitlements for various
33 development project types over the past 15 plus years for government and private
34 sector clients.
35
36

37 **WAIKOLOA HIGHLANDS PROJECT**
38

39 **17. *Are you familiar with the petition area and the existing characteristics of this***
40 ***area located in the South Kohala District on the island of Hawai‘i?***
41

42 Yes, from prior familiarity of the region and from preparation of the subject EIS.
43

1 **18. Are you familiar with Waikoloa Mauka, LLC's ("Petitioner") Waikoloa**
2 **Highlands ("Project")?**

3
4 Yes.

5
6 **19. How did you become familiar with this Project?**

7
8 Through the preparation of the EIS document, including field reconnaissance, and
9 through the coordination of professional subconsultant services needed to
10 complete the EIS.

11
12
13 **ANALYSIS**

14
15 **20. Could you please describe your involvement in the Project?**

16
17 I am responsible for the preparation of the EIS and the coordination of
18 subconsultant services necessary to complete the EIS.

19
20 **21. Did you prepare the Environmental Impact Statement ("EIS") for the Project?**

21
22 Yes, I was responsible for preparation of the subject document by RMTC and its
23 subconsultant team.

24
25 **22. Is Petitioner's Exhibit "14" a true and correct copy of the EIS for the Project?**

26
27 Yes.

28
29 **23. Could you describe the methodology used to conduct your analysis of the**
30 **environmental impacts from the Project?**

31
32 I understand this to mean the methods, procedures, and techniques that are used to
33 assess the potential for environmental impacts that may result from the proposed
34 Project.

35
36 The methodology employed begins with the review and adherence of HAR,
37 Chapter 11-200-16 through 18, which prescribes the content requirements for an
38 EIS, and HRS, Chapter 343, the EIS law, which provides guidance for identifying
39 the environmental factors that should be evaluated.

40
41 These factors have been summarized into five (5) subject areas as provided in the
42 EIS table of contents which include:

- 43
44 1 - Physical Environment
45 2 - Biological Environment
46 3 - Social and Built Environment

- 1 4 - Transportation, Traffic and Utilities
- 2 5 - Public Services and Facilities

3
4 The general analysis of these factors involves a review of the existing published
5 literature or data in relation to the Project site to determine if there is sufficient
6 information to describe the existing conditions and to complete the analysis, or if
7 further data is required. In some cases consultation with governmental agencies is
8 also undertaken to validate the analyses.

9
10 For example, the assessment of soils is based on the Soils Survey of the Island of
11 Hawai‘i, by the Soil Conservation Service (now changed to Natural Resources
12 Conservation Service). The Soils Survey tells us there are four (4) major soil
13 types, but that the presence of these soils would not constrain development, or
14 constitute a potentially adverse condition if developed, that would require further
15 mitigation.

16
17 If, in the review of the existing data additional information is required to
18 substantiate the analysis, subconsultant studies are commissioned to the
19 appropriate disciplines and firms with expertise in the required field of study. For
20 example, the assessment of archaeological resources at the site was commissioned
21 to Cultural Surveys Hawai‘i, with 24 years of experience in the Hawaiian
22 archaeological community. Based on the results of work performed by Cultural
23 Surveys Hawai‘i, and validated by the State Historic Preservation Division, no
24 further impacts to archaeological resources is anticipated.

25
26 **24. *Is the methodology you employed consistent with generally accepted industry***
27 ***standards?***

28
29 Yes.

30
31 **25. *Are there any regulatory or advisory bodies that publish guidelines in an***
32 ***attempt to summarize these generally accepted practices?***

33
34 The Office of Environmental Quality Control (OEQC) publishes The
35 Environmental Guidebook, providing comprehensive overview and guidance for
36 the rules, regulations, responsibilities, and administrative procedures that are
37 employed in the preparation, filing, and acceptance of environmental
38 documentation to meet National Environmental Policy Act (NEPA) and Chapter
39 343, Hawai‘i Revised Statutes, regulations.

40
41 **26. *Is your methodology consistent with these guidelines?***

42
43 Yes.

44

1 **27. *I am showing you what has been marked as Petitioner’s Exhibit “1”. Do you***
2 ***recognize it?***

3
4 Yes.

5
6 **28. *What is it?***

7
8 It is a map representing Figure 1, Project Location from the Project EIS for the
9 Waikoloa Highlands Project site.

10
11 **29. *I am now showing you what has been marked as Petitioner’s Exhibit “2”. Do***
12 ***you recognize it?***

13
14 Yes.

15
16 **30. *What is it?***

17
18 It is a map representing Figure 2, Site Plan, from the Project EIS for the Waikoloa
19 Highlands Project.

20
21 **31. *Please define the area subject to the classification.***

22
23 The entirety of the 731.581 acres identified as the Project site on Exhibits 1 and 2,
24 is subject to the State Agricultural District classification for which we are seeking
25 a change in State Land Use to the Rural District.

26
27 **32. *Describe the Project area.***

28
29 The Project site is 731.581 acres in size, and designated as TMK (3) 6-8-002:
30 portion of parcel 016 as shown on **Exhibit 3**. The entirety of parcel 016
31 comprising 2,443.73 acres is owned in fee by Waikoloa Mauka, LLC.

32
33 A previous Archaeological Inventory Survey was conducted by Peter M. Jensen
34 for Paul Rosendahl in 1990. According to this survey Waikoloa Mauka, which
35 encompasses the Project area, was traditionally sparsely inhabited due to the harsh
36 terrain. It notes that uses were probably mostly limited to serving as a
37 transportation route, with only temporary periods of habitation.

38
39 In the mid 1800s the land was listed as under the ownership of John Young at the
40 time of the Mahele in 1848. Cattle roamed free in this area of west Hawai‘i, and
41 by 1846, the majority of the Waimea area had been converted to pasture land.
42 This use of the land for pasturage continued into the early 1900’s by John Parker,
43 founder of Parker Ranch in Waimea. According to the records of the Real
44 Property Tax Office, Richard Smart, who is now deceased, sold the Project area to
45 Boise Cascade in 1968. Boise Cascade sold this parcel to Waikoloa Land &
46 Cattle Company, which in turn sold it to the Atpac Land Company.

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Much of the land surrounding the subject property was also owned by the Waikoloa Land and Development Company, the original master developers of the 30,000-acre Waikoloa plan.

33. *Could you describe the environmental features of the Project area?*

Topography
The proposed Project site is vacant and undeveloped. The site terrain is characterized by rolling, grass-covered hills cut by several dry stream beds with rock outcrops. The Project site slopes upland from north to south, with average slopes ranging from 5 to 15 percent. Elevations range from 900 feet above mean sea level (“msl”) near the northwestern boundary to 1,300 feet msl near the south boundary. The Auwaiakeakua Gulch transects the site, northeast to southwest along the eastern edge of the property.

Geology
The land in the Waikoloa area is composed of a mix of a‘ā and pāhoehoe lava flows. The source of these flows is from Mauna Kea between 65,000 and 250,000 years ago during the Pleistocene Age.

Soils
There are primarily four (4) soil types within the Project area:

- (1) Kawaihae extremely stony, very fine sandy loam, with 6 to 12 percent slopes (KNC);
- (2) Kamakoa very fine sandy loam, with 0 to 10 percent slopes (KGC), at the southern portion of the property adjacent to Pu‘u Hīna‘i, which is outside the Project area;
- (3) Very stony land (rVS), which is a miscellaneous land type consisting of very shallow soil material and a high proportion of A‘ā lava outcrops; and
- (4) Cinder land (rCl), which is a miscellaneous land type consisting of bedded cinders, pumice, and ash.

Rock land (rRO), which is comprised of boulders and miscellaneous weathered rock can also be found within the Project site.

Climate
The ahupua‘a of Waikoloa can be considered one of the drier areas in West Hawai‘i with a generally low annual rainfall of between 10 and 15 inches. Daily highs range from 77 to 85 degrees Fahrenheit and most of the rainfall occurs in the winter months.

34. *Are there any existing uses or activities in the Petition Area? If so, what are they?*

The Project site remains vacant and undeveloped.

1
2 **35. *Are there any plans for future agricultural use in the Petition Area?***
3

4 Although there are no future plans for agricultural activities it is an allowed use
5 by the County of Hawai‘i under the RA-1a zoning of the Project site. Any
6 decision to pursue future agricultural uses would therefore rest with the individual
7 owners of the parcels. We do note however, that historically the site has not been
8 well suited to past agricultural practices and the existing terrain consisting mostly
9 of Kawaihae extremely stony very fine sandy loam is mostly used for pasture,
10 wildlife habitat, and recreational areas as noted by the soil survey for the Island of
11 Hawai‘i.
12

13 **36. *Please describe the Project.***
14

15 The proposed Project involves the subdivision and construction of infrastructure
16 improvements for a new 398-lot subdivision. Construction activities will involve
17 the development of roadways within the subdivision and the provision of water
18 and electrical service to the property. Existing drainage through the subdivision
19 will generally remain unchanged, except for where the roadway crosses the
20 drainageways and culverts are installed. Increases in surface runoff due to
21 increased impervious areas will be addressed on-site through dry-wells and
22 detention basins.
23

24 **Exhibit 4** identifies the proposed Subdivision Plan, which includes 398 low-
25 density, rural residential lots, each a minimum of one acre in size. One (1) single-
26 family home will be permitted in the development for each lot of record in
27 accordance with Ordinance 05-157. Restrictions on additional units will be stated
28 in the Covenants, Conditions and Restrictions (CC&Rs) for the Project. The
29 Project will be developed in two (2) phases.
30

31 **Exhibit 5** demonstrates that access to the subdivision will be from two (2) points
32 along Waikoloa Road and along Pua Melia Street. An internal road will connect
33 the two (2) access points, and connect to smaller collector roads and cul-de-sacs
34 within the subdivision. All roads will be designed to applicable County standards.
35

36 The approximate land allocation for the 731.581 acres of the Project is as follows:
37 roads would comprise 51.54 acres; residential lots would comprise 484.73 acres;
38 and open space and drainageways would comprise 195.311 acres.
39

40 **37. *What is the projected number of residents per household?***
41

42 We understand there was a prior question involving the projected number of
43 residents per household based on the number of full-time residents that would be
44 present at Waikoloa Highlands.
45

1 According to the FEIS, Appendix D, The Hallstrom Group Market Study, the
2 projected Waikoloa Highlands population in 2025 when the Project is anticipated
3 to be fully built out will be approximately 1,068 residents of which 907 are
4 estimated to be full-time. To obtain the number of homes that would be occupied
5 by these full-time residents involves taking the number of projected full-time
6 residents, which in this case is 907, and then dividing that by the projected
7 Average Household Size, or AHS, that is estimated for the year 2025.

8
9 The Hallstrom Group Market Study notes on Page 28 that, "Most Hawai'i-
10 oriented sociologists contend the movement to smaller household sizes will
11 continue into the future; forecasting longer life-spans, the influx of single persons
12 attracted to the climate and employment opportunities, increasing number of
13 retirees, and the tendency toward fewer children." The study notes this decline
14 however, will not be as significant in Waikoloa as elsewhere on the Island of
15 Hawai'i.

16
17 The study goes on to state, "...the average household size in the study area will
18 stabilize by the Year 2025 at between 2.67 and 2.72 persons; still slightly above
19 most Big Island locales."

20
21 Taking the 907 full-time residents and then dividing it by the AHS ranging from
22 2.67 to 2.72, we find the number of homes occupied by full-time residents at
23 between 340 (339.700) and 333 (333.456), as demonstrated by **Exhibit 6**.

24
25 For reference, this information comes from the Market Study (Exhibit 20), Letter
26 to Chester Koga, dated May 31, 2006, and the Quantification of Waikoloa Village
27 Housing Unit Demand, pages 25 through 34.

28
29 **38. *Describe the timeline for the Project's development and implementation.***

30
31 The proposed Project is planned to be developed in two (2) phases. The Phase 1
32 is projected to start upon approval of the required land use entitlements and last
33 approximately 8 to 10 months. This first phase will involve 319.081 acres and
34 involve the development of roads, infrastructure, and utilities.

35
36 Phase 2 will involve 412.5 acres and will similarly take approximately 8 to 10
37 months following the completion of Phase 1. The remainder of the site roads,
38 infrastructure, and utilities will be installed.

39
40 The Project is expected to be completed within 10 years of the date of receipt of
41 the last land use entitlement allowing site work and development activities.

42

1 **39. What approvals has the Project received and what additional approvals are**
2 **needed for the Project's development?**
3

4 The County of Hawai'i land use entitlements that have been secured for this
5 Project include the RA-1a zoning district that allows the proposed Project, and the
6 Tentative Subdivision Approval. The Final Subdivision Approval will be granted
7 by the County as a condition of the zoning which requires the approval of the
8 LUC for the subject Project before the Final Subdivision Approval is granted.
9

10 The remaining State and Federal approvals that are required include:
11

- 12 1. The subject State Land Use District Boundary Amendment to reclassify
13 the property from the Agricultural to the Rural District;
- 14 2. The subject Chapter 343, HRS, EIS, that includes a HRS, Chapter 6E,
15 Historic Consultation, and Act 50, Session Laws of Hawai'i, Cultural
16 Impact Assessment;
- 17 3. Other State and Federal authorizations and permit approvals that may
18 include:
 - 19 A. A Noise Permit to address noise levels above those allowed in
20 HRS, Chapter 46;
 - 21 B. A National Pollutant Discharge Elimination System (NPDES)
22 Permit Application for Discharges of Construction Stormwater;
 - 23 C. A Underground Injection Control (UIC) permit application for the
24 use of drainage injection wells;
 - 25 D. A Department of the Army Permit Application may be required for
26 improvements to Auwaiakeakua Stream involving the construction
27 of bridges or culverts within the stream;
 - 28 E. A Section 401 Water Quality Certification may be required based
29 on the filing of the Department of the Army Permit Application for
30 improvements that involve discharges to "waters of the U.S.";
 - 31 F. A Coastal Zone Management (CZM) Federal Consistency
32 Determination;
 - 33 G. A Stream Channel Alteration Permit (SCAP) for improvements to
34 Auwaiakeakua Stream involving the construction of culverts;
 - 35 H. A Subdivision Approval for the Project in accordance with
36 Chapter 23, Hawai'i County Code, as described above;
 - 37 I. Grading Permits from the County of Hawai'i for earthwork
38 activities; and
 - 39 J. Building Permits from the County of Hawai'i for infrastructure
40 improvements that are now under review.
41
42
43
44

1 **COMPLIANCE WITH THE HAWAI‘I STATE PLAN**

2
3 **40. *Are you familiar with the Hawai‘i State Planning Act (“Hawai‘i State Plan”)?***

4
5 Yes. The Hawai‘i State Plan, HRS, Chapter 226, was originally intended to
6 govern and manage the comprehensive resources of the State of Hawai‘i for
7 future generations.

8
9 **41. *What is the significance of the Hawai‘i State Plan as it relates to the Project?***

10
11 The Plan identifies certain goals, objectives, and policies that are applicable to the
12 proposed Project. Development activities that are proposed must be consistent
13 with the Plan.

14
15 **42. *Could you briefly discuss your evaluation of the reclassification and***
16 ***development of the Petition Area for consistency with the objectives and policies***
17 ***of the Hawai‘i State Plan?***

18
19 We examined the objectives of the Hawai‘i State Plan (Chapter 226-19, HRS) and
20 find that the proposed Project is generally consistent with the Plan's statements of
21 objectives which are cited in Section 4.1.1, Hawai‘i State Plan and Functional
22 Plans, in the EIS, and displayed on **Exhibit 7**.

23
24 In summary, our review of eight (8) of the State Plan's housing objectives found
25 the Project to be consistent with five of the objectives. The other objectives were
26 found to be non-applicable to the proposed Project.

27
28 The review of the State's Priority Guidelines for affordable housing found the
29 Project to be consistent with four of the eight objectives, as shown by **Exhibit 8**.
30 The other objectives were non-applicable to the Project.

31
32 The review of the State Housing Functional Plan objectives found the Project to
33 be consistent with all eight objectives, as shown on **Exhibit 9**, and the review of
34 the Housing Functional Plan issue area of Homeownership indicated policy A(2):
35 *encourage increased private sector participation in the development of affordable*
36 *housing*, and policy A(3): *Ensure that (1) housing projects and (2) projects which*
37 *impact housing provide a fair share/adequate amount of affordable*
38 *homeownership opportunities*, will comply with the County's affordable housing
39 requirement in accordance with Chapter 11, Hawai‘i County Code, which requires
40 the Petitioner to earn affordable housing credits equal to 20 percent of the number
41 of units or lots, which equate to the 80 planned units that will be provided for
42 affordable housing by the developer.
43

1 **43. In your professional opinion, are the objectives and policies of the Hawai‘i**
2 **State Plan relevant to the Project satisfied?**

3
4 Yes.

5
6
7 **COMMISSION DECISION-MAKING CRITERIA**

8
9 **44. Are you familiar with the Commission’s decision-making criteria as set forth**
10 **under HRS § 205-17?**

11
12 Yes. There are four (4) criteria that must be considered by the Commission.

13
14 **45. Could you briefly summarize your evaluation of the Project for conformance**
15 **with the Commission’s decision-making criteria?**

16
17 The decision-making criteria as promulgated in HRS, Chapter 205-17 specifies
18 the items of review that must be considered by the LUC in its review of any
19 petition for reclassification. Our evaluation of the criteria finds the following:

20
21 **Criteria one** states, "*The extent to which the proposed reclassification conforms*
22 *to the applicable goals, objectives, and policies of the Hawaii state plan and*
23 *relates to the applicable priority guidelines of the Hawai‘i state plan and the*
24 *adopted functional plans;*"

25
26 The proposed Project was evaluated and has been found to be in conformity with
27 the Hawai‘i State Plan. Specifically, there is conformity with the State Plan's
28 Housing objectives, the Priority Guidelines for Affordable Housing, and the State
29 Housing Functional Plan objectives.

30
31 **Criteria two** states, "*The extent to which the proposed reclassification conforms*
32 *to the applicable district standards;*"

33
34 According to the LUC's rules for the standards of the Agricultural District in
35 HAR, Chapter 15-15-19, we find the following: **number one**, the Agricultural
36 District shall include land with a high capacity for agricultural production;
37 **number two**, the district may include lands with significant potential for grazing
38 or other agricultural uses; and **three**, the district may include lands surrounded by
39 or contiguous to agricultural lands or which are not suited to agricultural or
40 ancillary activities by reason of topography, soils, and other related
41 characteristics.

42
43 Although the property is in the Agricultural District the land is not highly
44 productive. The Land Study Bureau has classified the area as "E", meaning that it
45 is only marginally suitable for agricultural use. Land surrounding the site is of

1 similar character and is primarily in residential and commercial uses and not in
2 active agricultural production.

3
4 However, when compared to the applicable standards for the Rural District per
5 HAR, Chapter 15-15-21, the proposed Project would be more appropriate to the
6 Rural District and be compatible with the surrounding land uses in Waikoloa.

7
8 First, the Rural District would include areas consisting of small farms; provided
9 that the areas need not be included in this district if the inclusion will alter the
10 general characteristics of the area. There are no small farms in the vicinity of the
11 Project.

12
13 Two, the Rural District shall include activities or uses as characterized by low-
14 density residential lots of not less than one-half acre and a density of not more
15 than one single-family dwelling per one-half acre in areas where "city-like"
16 concentrations of people, structures, streets and urban level of services are absent,
17 and where small farms are intermixed with the low-density residential lots. The
18 proposed Project will comprise lots of not less than 1 acre with only one single-
19 family dwelling allowed per lot.

20
21 Three, the Rural District may also include parcels of land which are surrounded
22 by, or contiguous to this district, and are not suited to low-density residential uses
23 for small farm or agricultural uses. The proposed Project site will be located
24 adjacent to the Rural District of Waikoloa and will involve a development on land
25 that is not well suited for small farm or agricultural uses.

26
27 **Criteria three** states that the LUC must review, *"The impact of the proposed*
28 *reclassification on the following areas of state concern:*

29 *(A) Preservation or maintenance of important natural systems or habitats;*

30 *(B) Maintenance of valued cultural, historical, or natural resources;*

31 *(C) Maintenance of other natural resources relevant to Hawaii's economy,*
32 *including, but not limited to, agricultural resources;*

33 *(D) Commitment of state funds and resources;*

34 *(E) Provision for employment opportunities and economic development; and*

35 *(F) Provision for housing opportunities for all income groups, particularly the*
36 *low, low-moderate, and gap groups".*

37
38 The subject EIS for this Project has been prepared to address these items of state
39 concern as well as the requirements of HRS, Chapter 343, requiring the full
40 disclosure of the proposed Project on the built and natural environment. The
41 conclusion of the EIS is that the Project with the inclusion of the mitigation
42 measures as proposed would not have an adverse impact on environment.

43
44 **Criteria four** states, *"The representations and commitments made by the*
45 *petitioner in securing a boundary change."*

1 The subject EIS represents fairly and accurately the subject of the proposed
2 boundary change based on our review of the data and the conduct and information
3 as provided by the professional subconsultants who were tasked with the
4 evaluation of the Project.

5
6 **46. *In your professional opinion, does the Project satisfy the Commission's***
7 ***decision-making criteria?***

8
9 Yes.

10
11
12 **CONFORMANCE WITH RURAL DISTRICT BOUNDARY CRITERIA**

13
14 **47. *Are you familiar with the standards for determining "R" Rural District***
15 ***Boundaries as set forth under section 15-15-21 of the Hawaii Administrative***
16 ***Rules ("HAR")?***

17
18 Yes, as previously described.

19
20 **48. *What is the significance of HAR §15-15-21 as it relates to the Project?***

21
22 It establishes the criteria for the Rural District that must be met by the proposed
23 Project in order to be allowed a change in State Land Use.

24
25 **49. *Could you briefly discuss your evaluation of the Project for consistency with the***
26 ***standards for Rural District Boundaries?***

27
28 The finding of the EIS is that the standards for the Rural District are more
29 appropriate for the proposed use, while remaining consistent with the adjoining
30 Rural District classification of the Waikoloa Village area.

31
32 First, the Rural District would include areas consisting of small farms; provided
33 that the areas need not be included in this district if the inclusion will alter the
34 general characteristics of the area. As noted, there are no farms in the vicinity of
35 the Project.

36
37 Two, the Rural District shall include activities or uses as characterized by low-
38 density residential lots of not less than one-half acre and a density of not more
39 than one single-family dwelling per one-half acre in areas where "city-like"
40 concentrations of people, structures, streets and urban level of services are absent,
41 and where small farms are intermixed with the low-density residential lots. The
42 Project will comprise lots of not less than 1 acre with only one single-family
43 dwelling allowed per lot.

44
45 Three, the Rural District may include parcels of land which are surrounded by, or
46 contiguous to this district, and are not suited to low-density residential uses for

1 small farm or agricultural uses. The proposed Project site will be located adjacent
2 to the area of Waikoloa Village which is also in the Rural District. Both these
3 areas would involve development on land that is not well suited for small farm or
4 agricultural uses.

5
6 **50. *Based on your evaluation of the Project and in your professional opinion, does***
7 ***the reclassification and development of the Petition Area satisfy the Rural***
8 ***district boundary criteria?***

9
10 Yes.

11
12
13 **CONFORMANCE WITH STATE FUNCTIONAL PLANS**

14
15 **51. *Are you familiar with the Hawai‘i State Functional Plans (“Functional***
16 ***Plans”)?***

17
18 Yes.

19
20 **52. *What is the significance of Functional Plans as it relates to the Project?***

21
22 The State Functional Plans are intended to further specify the objectives of the
23 Hawai‘i State Plan by State agencies. The Functional Plan that is most relevant to
24 the proposed Project is the State Housing Functional Plan.

25
26 **53. *Could you briefly discuss your evaluation of the Project for consistency with the***
27 ***Functional Plans?***

28
29 The review of the State Housing Functional Plan objectives found the Project to
30 be consistent with the eight objectives of the Plan. The objectives ranged from
31 providing for greater opportunities for Hawai‘i’s people to secure reasonably
32 priced, safe, sanitary and livable homes in suitable environments, to the
33 promotion of research and development of methods to reduce the cost of housing
34 construction in Hawai‘i. The proposed Project will provide new opportunities for
35 homeownership of larger lots in the Waikoloa area, and the availability of
36 subdivided lots will allow for flexibility in the type of home construction methods
37 that can be employed at the site.

38
39 The Housing Functional Plan issue area of Homeownership was also reviewed for
40 policy A(2): *encourage increased private sector participation in the development*
41 *of affordable housing*, and policy A(3): *Ensure that (1) housing projects and (2)*
42 *projects which impact housing provide a fair share/adequate amount of*
43 *affordable homeownership opportunities*. The Project will comply with the
44 County's affordable housing requirement in accordance with Chapter 11, Hawai‘i
45 County Code, which requires the Petitioner to earn affordable housing credits
46 equal to 20 percent of the number of units or lots, which equate to the 80 planned

1 units that will be provided for affordable housing by the developer. Combined
2 with other fair share assessments, a total of approximately \$3.98 million will be
3 paid by the developer.
4

5 **54. *Based on your evaluation of the Project and in your professional opinion, have***
6 ***the policies and objectives of the Functional Plans relevant to this Project been***
7 ***satisfied?***

8
9 Yes.

10
11
12 **COASTAL ZONE MANAGEMENT PROGRAM**

13
14 **55. *Are you familiar with the Coastal Zone Management (“CZM”) Program as set***
15 ***forth under Chapter 205A-2, HRS?***

16
17 Yes.

18
19 **56. *Could you discuss the policies and objectives of the CZM Program?***

20
21 HRS, Chapter 205A-2, identifies the policies and objectives for Hawai‘i’s coastal
22 zone management area. The ten (10) objective areas for the CZM program
23 include: recreational resources, historic resources, scenic and open space
24 resources, coastal ecosystems, economic uses, coastal hazards, managing
25 development, public participation, beach protection, and marine resources. The
26 establishment of these objectives are designed to preserve, protect, and where
27 possible, to restore the natural resources of the coastal zone.
28

29 **57. *Could you briefly summarize your evaluation of the Project for consistency with***
30 ***the objectives and policies of the CZM Program relevant to the Project?***

31
32 The Project was found to be generally supportive of the CZM objectives for
33 historic resources, economic uses, coastal hazards - in that the Project will have
34 sufficient mitigation measures to address risk due to floods and the maintenance
35 of State water quality standards, managing development, and public participation
36 - based on the public review of this Project as part of the EIS and LUC process.
37

38 The following CZM objectives were found to be not applicable to the Project and
39 included recreational resources - in that the Project will not affect coastal
40 recreational opportunities, scenic and open space resources - in that no scenic
41 views will be impacted, coastal ecosystems, beach protection, and marine
42 resources.
43

1 58. *Based on your evaluation of the Project and in your professional opinion, are*
2 *the objectives and policies of the CZM Program relevant to the Project*
3 *satisfied?*

4
5 Yes.
6
7

8 **CONFORMANCE WITH COUNTY PLANS**
9

10 59. *Are you familiar with the County of Hawai‘i’s (“County”) plans?*

11
12 Yes.
13

14 60. *What is the significance of the County plans as they relate to the Project?*

15
16 **County General Plan**
17

18 The County of Hawai‘i General Plan provides direction for the future growth of
19 the County and is enacted as an Ordinance by the County Council. The Plan
20 consists of goals, policies, standards, courses of action, and maps that delineate
21 the general desired location of land uses in the County.
22

23 **County Development Plan**
24

25 The General Plan identifies the Community Development Plan that is designed to
26 translate the broad General Plan statements into specific actions that apply to a
27 region. These specific actions may be described with detailed land use and
28 zoning guide maps, plans for infrastructure and public facilities, design
29 guidelines, planning for watersheds and other natural features, and any other
30 matters related to the community development plan area.
31

32 In 2005, the General Plan called for the revival of the community development
33 plan process and mandates the adoption of the community development plans by
34 ordinance. We understand that this process has been initiated and that a steering
35 committee will be selected to guide the development of the Community
36 Development Plan.
37

38 Concerning the area of the proposed Project, however, we do note that in 1992 a
39 Northwest Hawai‘i Open Space and Community Development Plan was prepared
40 but not adopted. It identified a Mauka Development Zone (MDZ) that includes
41 the area of Waikoloa. According to the plan the MDZ is, "a zone of land mauka
42 of the coastal highways that would be the most suitable area for future large-scale
43 residential development...the concept seeks to reduce development pressures on
44 the visually and ecologically sensitive coastal zone, as well as on the views from
45 the major roadways."
46

1 **61. Which County plans, if any, are applicable to the Petition Area?**

2
3 The General Plan, and although the Community Development Plan process has
4 not yet been completed for the area of Waikoloa, there is some guidance that may
5 be applicable to the Project, in the Northwest Hawai'i Open Space and
6 Community Development Plan.

7
8 **62. Could you briefly discuss your evaluation of the Project for conformance with**
9 **the applicable County plans?**

10
11 The General Plan designated the Project site in the Land Use Pattern Allocation
12 Guide or LUPAG map as "Rural" and "Open" as shown on **Exhibit 10**. The
13 proposed low-density residential development of Waikoloa Highlands is
14 consistent with these designations.

15
16 The Project in relation to the Northwest Hawai'i Open Space and Community
17 Development Plan is also consistent in as much as the proposed Project seeks to
18 develop lands that are in the Mauka Development Zone, or MDZ, which
19 facilitates the reduction of development pressure on the coastal zone.

20
21 **63. Based on your evaluation of the Project and in your professional opinion, are**
22 **the objectives and policies of the County plans relevant to the Project satisfied?**

23
24 Yes.

25
26
27 **COUNTY ZONING**

28
29 **64. Are you familiar with the County's zoning?**

30
31 Yes.

32
33 **65. What is the County's zoning for this Project site?**

34
35 The Project site is zoned RA-1a, Residential-Agriculture and Open, and consists
36 of minimum 1-acre lots. This is shown on **Exhibit 11, County Zoning Map**.

37
38 **66. Is the zoning consistent with the proposed uses planned for the Project?**

39
40 Yes.

41
42 **67. In your professional opinion, would you recommend reclassification of the**
43 **Petition Area from Agricultural District to Rural District?**

44
45 Yes.