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D.R. HORTON - SCHULER HOMES, LLC,
a Delaware limited liability company,
d.b.a. D.R. HORTON-SCHULER DIVISION

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition of

D.R. HORTON - SCHULER HOMES,
LLC, a Delaware limited
liability company, d.b.a. D.R.
HORTON-SCHULER DIVISION

To Amend the Agricultural Land
Use District Boundaries into
the Urban Land Use District for
Approximately 1,553.844 Acres
in Ewa District, Island of
Oahu, Tax Map Key Nos. (1) 9-1-
017:004 (por.), 059 and 072;
(1) 9-1-018:001 and 004

DOCKET NO. A06-771

PETITION FOR LAND USE
DISTRICT BOUNDARY AMENDMENT;
VERIFICATION; EXHIBITS "1" TO
"19"; CERTIFICATE OF SERVICE

PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT

VERIFICATION

EXHIBITS " 1 " - " 19 "

CERTIFICATE OF SERVICE

TABLE OF CONTENTS

PETITION

VERIFICATION

- EXHIBIT "1" Project Location Map
- EXHIBIT "2a" TMK Map showing entire petition area Makai of Farrington Highway and relevant TMK Nos.
- EXHIBIT "2b" TMK Map showing entire petition area Mauka of Farrington Highway and relevant TMK Nos.
- EXHIBIT "3" Parcels Map showing entire petition area
- EXHIBIT "4" Survey Map Showing Proposed East Kapolei Urban District Boundary Amendment for Lot A and Lot B
- EXHIBIT "5" Survey Map Showing Proposed East Kapolei Urban District Boundary Amendment for Lot C
- EXHIBIT "6" Metes and bounds description of Lot A consisting of TMK No. 9-1-18:004
- EXHIBIT "7" Metes and bounds description of Lot B consisting of TMK No. 9-1-18:001
- EXHIBIT "8" Metes and bounds description of Lot C consisting of TMK No. 9-1-17:004 (por.), 059 and 072
- EXHIBIT "9" Environmental Impact Statement Preparation Notice
- EXHIBIT "10" True copy of the Trustees' Limited Warranty Deed with Covenants and Reservation of Rights
- EXHIBIT "11" Declaration of Reserved Rights
- EXHIBIT "12" Map of State Land Use Districts
- EXHIBIT "13" Map of City and County of Honolulu Zoning Districts
- EXHIBIT "14" Portion of the Ewa Development Plan Urban Land Use Map
- EXHIBIT "15" Ho'opili Master Plan
- EXHIBIT "16" Financial Statements
- EXHIBIT "17" Notification of Petition Filing

EXHIBIT "18" Affidavit of Naomi U. Kuwaye Attesting to Sending
of the Notification of Petition Filing

EXHIBIT "19" Affidavit of Naomi U. Kuwaye Attesting to the
Service of Petition for Land Use District Boundary
Amendment

CERTIFICATE OF SERVICE

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PETITION FOR LAND USE
DISTRICT BOUNDARY AMENDMENT

PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT

COMES NOW, D.R. HORTON - SCHULER HOMES, LLC, a Delaware limited liability company, d.b.a. D.R. HORTON-SCHULER DIVISION, whose principal place of business is 828 Fort Street Mall, 4th Floor, Honolulu, Hawaii 96813 ("Petitioner"), and respectfully requests the Land Use Commission of the State of Hawaii ("Commission"), to amend the land use district classification of certain lands, hereinafter described, consisting of approximately 1,553.844 acres of land from the Agricultural District to the Urban District, and in support thereof, Petitioner respectfully alleges and presents the following:

Inasmuch as the proposed action involves the use of State or county lands (i.e., planned roadways, water, sewer, utility

and drainage facilities, etc.), an environmental impact statement preparation notice ("EISPN") has been prepared pursuant to Hawaii Revised Statutes ("HRS") Chapter 343. In accordance with HRS Chapter 343, Petitioner intends to prepare the appropriate environmental documents and believes that the Commission should be the approving agency.

HRS § 343-5(c) states in relevant part that, "[w]henver an applicant proposes an action specified by subsection (a) that requires approval of an agency . . . , the agency initially receiving and agreeing to process the request for approval shall prepare an environmental assessment of the proposed action at the earliest practicable time" The Office of Environmental Quality Control's ("OEQC") administrative rules contain similar language which states that, "[w]henver an applicant proposes an action, the authority for requiring statements and for accepting any required statements that have been prepared shall rest with the agency initially receiving and agreeing to process the request for an approval." Hawaii Administrative Rules ("HAR") § 11-200-4(b).

Based on the foregoing provisions, the Petitioner believes that the Commission can and should be the approving agency for the environmental documents that have and will be prepared in connection with the proposed project. Further, in support of the Petitioner's request to amend the land use district

classification of approximately 1,553.844 acres of land,
Petitioner respectfully alleges and presents the following:

I
STANDING

Petitioner alleges standing to file this Petition for a Land Use District Boundary Amendment pursuant to HAR § 15-15-46(3) and HRS Chapter 205, which entitle any person with a property interest in the land sought to be reclassified to petition the Commission for a district boundary amendment.

II
AUTHORIZED REPRESENTATIVES

The law firm of IMANAKA KUDO & FUJIMOTO has been appointed and is hereby authorized to represent Petitioner in its Petition for a Land Use District Boundary Amendment and the proceedings thereon pursuant to HAR § 15-15-35(b). Pursuant to HAR § 15-15-50(c)(2), all correspondence and communication with regard to this Petition shall be addressed to:

1. IMANAKA KUDO & FUJIMOTO
Attention: Benjamin A. Kudo, Esq.
Naomi U. Kuwaye, Esq.
Austin A. Ching, Esq.
Topa Financial Center, Fort Street Tower
745 Fort Street, 17th Floor
Honolulu, Hawaii 96813
Telephone: (808) 521-9500

2. Mr. Michael T. Jones, Division President
Mr. Robert Q. Bruhl, VP, Oahu Development
Mr. Dean Uchida, VP, Ho'opili
D.R. Horton-Schuler Division
828 Fort Street Mall, 4th Floor
Honolulu, Hawaii 96813
Telephone: (808) 521-5661

III
AUTHORITY FOR RELIEF SOUGHT

This Petition is filed pursuant to HRS § 205-4, as amended, and HAR Title 15, Chapter 15, as amended from time to time, and all other applicable statutes and rules. The Commission is authorized to grant the relief sought herein pursuant to the provisions of HRS Chapter 205, as amended, and all applicable statutes and rules promulgated and governing the Commission.

IV
COMMUNICATIONS AND SERVICE OF PROCESS

All papers, notices and pleadings required to be served upon Petitioner in this proceeding shall be addressed to and served upon Petitioner and the law firm of Imanaka Kudo & Fujimoto, as Petitioner's representative.

V
DESCRIPTION OF THE PETITION AREA

The land affected by this Petition consists of approximately 1,553.844 acres, which includes five (5) tax map key ("TMK") parcels, or portions thereof, situated in the Agricultural District in the Ewa District, Island of Oahu, City and County of Honolulu, State of Hawaii. See Exhibit "1",

Project Location Map, attached hereto and incorporated herein by reference. The TMK numbers are as follows: (1) 9-1-018:004 ("Parcel A"), which consists of 52.289 acres; (1) 9-1-018:001 ("Parcel B") which consists of 447.592 acres; and (1) 9-1-017:004 (por.), 059 and 072 ("Parcel C") which consists of 1053.963 acres. Parcels A, B, and C (collectively the "Petition Area") are illustrated by the two (2) TMK Maps and Parcels Map attached hereto as Exhibits "2a", "2b" and "3", respectively, and are incorporated herein by reference. Parcels A and B are further described as Lot A and Lot B on the survey map, attached hereto as Exhibit "4". Parcel C is further described as Lot C on the survey map, attached hereto as Exhibit "5". The metes and bounds descriptions for Lot A, Lot B and Lot C are attached hereto as Exhibits "6", "7" and "8", respectively, and incorporated herein by reference.

The approximately 1,553.844-acre Petition Area consists of three (3) distinct parcels of land situated within the Agricultural District. For purposes of this Petition, the parcels have been labeled as Parcel A, Parcel B, and Parcel C. See Exhibit "3", Parcels Map.

A. Parcel A

Parcel A is located west of Parcels B and C, and north of the proposed University of Hawaii West Oahu ("UHWO") campus. It is bordered by State land to the west, Farrington Highway to the

south, North-South Road to the east, and the H-1 Freeway to the north.

B. Parcel B

Parcel B is located north (mauka) of Parcel A and Farrington Highway. It is the second largest of the three (3) parcels. Parcel B is bordered to the west by land proposed for multi-family residential use by the Hawaii Public Housing Authority ("HPHA") (formerly known as the Housing and Community Development Corporation of Hawaii), to the south by Farrington Highway, to the east by Kunia Road, and to the north by the H-1 Freeway. An outparcel along Farrington Highway is used by Hawaiian Electric Company ("HECO") and is not included as part of the Petition Area.

C. Parcel C

Parcel C is located south (makai) of Farrington Highway. It is the largest of the three (3) parcels. Parcel C is bordered by the North-South Road to the west; State Department of Hawaiian Home Lands ("DHHL") landholdings, Ewa Villages, and the Ewa Villages Golf Course to the south; Old Fort Weaver Road and (new) Fort Weaver Road to the east; and Farrington Highway to the north. There are two (2) outparcels along Farrington Highway. One (1) outparcel of land near the planned UHWO campus and North-South Road is proposed for multi-family residential

use by the HPHA. The other outparcel of land is used by the City and County of Honolulu Board of Water Supply ("BWS").

Further detail and description of the Petition Area is contained in Petitioner's EISPN, which is attached hereto as Exhibit "9" and is incorporated herein by this reference. Additional detail and description of the Petition Area will also be included in Petitioner's Environmental Impact Statement ("EIS").

VI

PETITIONER'S PROPRIETARY INTEREST IN THE PETITION AREA

The Petition Area is owned in fee by Petitioner. A true copy of the deed together with a copy of the declaration of reserved rights evidencing Petitioner's proprietary interest in the Petition Area is hereby attached and incorporated herein by reference as Exhibits "10" and "11", respectively. In addition, attached hereto as Exhibit "18" and incorporated herein by reference, pursuant to HAR § 15-15-50(c)(5)(C), is the affidavit of the Petitioner's authorized representative attesting to its compliance with the service of process requirements for HAR § 15-15-48(a).

VII

EXISTING USE OF THE PETITION AREA; ADJACENT LAND USES

A. Existing Use of the Petition Area

The Petition Area is currently within the Agricultural State Land Use District and is zoned by the City and County of

Honolulu as Ag-1 (Restricted Agriculture). See Exhibits "12" and "13" attached hereto and incorporated herein by reference.

The Petition Area has been used primarily for agricultural purposes. The Petition Area was previously leased to the Ewa Plantation Company/Ewa Sugar Company and the Oahu Sugar Company for sugarcane cultivation. A majority of the Petition Area is currently leased for agricultural purposes. These existing land uses include, but are not limited to: diversified agriculture; pasturage; grazing for livestock; cultivation of seed corn and other agricultural crops; and agricultural research.

B. Adjacent Land Uses

The majority of adjacent lands that surround the Petition Area are within the Urban State Land Use District. The existing residential developments include: Waipahu Town to the northeast; Honouliuli and West Loch Estates to the east; and Ewa Villages and Ewa Villages Golf Course to the south. The vacant lands west of the Petition Area are slated for future development by UHWO and DHHL. The lands to the north of the Petition Area are within the Agricultural State Land Use District, but fall outside of the City and County of Honolulu's Ewa Development Plan Urban Growth Boundary. See Exhibit "14", Portion of the Ewa Development Plan Urban Land Use Map.

VIII
RECLASSIFICATION SOUGHT AND PROPOSED USE AND DEVELOPMENT

A. Reclassification Sought

Petitioner respectfully requests the Commission to amend the present classification of the Petition Area from an Agricultural District to Urban District ("Proposed Action").

B. Proposed Action

The Proposed Action is being sought to allow for a development pursuant to the Ho'opili community master development plan ("Proposed Project"). See Exhibit "15," Ho'opili Master Plan, attached hereto and incorporated herein by reference.

Petitioner initially filed a petition for a land use district boundary amendment in 1996, Docket No. A96-718 to reclassify approximately 753.573 acres of land to construct 2,080 single-family residential units, 1,440 townhouse units and 3,360 low-density residential units, 2,560 affordable low-density units of other related and ancillary uses. At the time of the 1996 petition filing, Petitioner was not the fee owner. Petitioner purchased the fee interest for the Petition Area in March 2006. Petitioner withdrew its 1996 petition due to difficult market conditions, changes in corporate strategy, and the inherent difficulties to petitions like these when submitted as non-owner.

Petitioner is currently proposing the development of a mixed-use, transit-ready community, including residential, business, and commercial areas, transit stops, schools, parks and open space. Petitioner is proposing to develop approximately 11,750 residential units (including affordable units) ranging from an estimated \$200,000 to \$700,000 based upon 2006 market prices, a minimum of five (5) school sites (subject to continued negotiations with the Department of Education), approximately two hundred ten (210) acres for parks and open space, and approximately one hundred forty-five (145) acres for business and commercial spaces that would sell for approximately \$35 to \$45 per sq. ft. in today's market. Both the residential and commercial space selling prices are estimates and are subject to change according to fluctuating market conditions, as well as unanticipated costs incurred during construction. The Proposed Project is being designed as a mixed-use community ready to provide high-capacity transit stops to further encourage walking/bicycling and the use of public transportation to supplement that which already underpins Ho'opili's traditional neighborhood design. Infrastructure facilities to be expanded or improved include access and circulation roadways, drainage systems, water distribution and wastewater collection lines, and electrical/communication systems.

Further detail and description of the Proposed Project are contained in the Petitioner's EISPN. See Exhibit "9", Sections 1 and 2.

IX
PROJECT TIMETABLE

Project development and implementation is scheduled to begin immediately following approval of the necessary land use entitlements, reclassification, rezoning, subdivision, and permits. Petitioner anticipates Project development to commence in or around 2010-2012 with an anticipated project build-out in or around 2027-2030.

X
IMPACTS ON RESOURCES OF THE AREA

At this time, the Petitioner anticipates the customary impacts associated with development projects including those relating to, but not limited to, historical, archaeological, cultural resources, noise and air quality, drainage, flora and fauna, traffic, and public infrastructure and services. A preliminary discussion of the resources in the Petition Area is contained in the EISPN. See Exhibit "9", Sections 4.1 through 4.9.

Additional details regarding the Proposed Project's impacts on the resources of the area will be provided as such information becomes available through studies conducted in conjunction with the preparation of the Petitioner's EIS.

XI

AVAILABILITY OF INFRASTRUCTURE AND PUBLIC SERVICES

The Proposed Project would generate additional demand on existing transportation infrastructure and systems (e.g., potable water, wastewater, drainage, electrical power and solid waste disposal) as well as public facilities and services (e.g., schools, police, fire, and emergency services). The Proposed Project will include mitigation measures such as major improvements to roadways, intersections and interchanges in the vicinity of the project, off-site infrastructure improvements, and the donation of land and fair-share contributions for designated city and state-operated facilities (e.g., parks, schools and regional roadway systems).

Additional details regarding the Proposed Project's impacts on the availability of infrastructure and public services in the area will be provided as such information becomes available through studies conducted in conjunction with the preparation of the Petitioner's EIS.

XII

ECONOMIC IMPACTS

The Proposed Project can be expected to generate additional county and state revenues due to increased levels of real property, gross excise and personal income taxes collected.

Additional details regarding the Proposed Project's economic impacts will be provided as such information becomes

available through studies conducted in conjunction with the preparation of Petitioner's EIS.

XIII
OTHER PROPOSED PROJECTS

Projects in the immediate vicinity of the Proposed Project include development of the UHWO campus to the west and the development of property owned by the DHHL to the southwest.

XIV
PETITIONER'S FINANCIAL CONDITION

Evidence of Petitioner's financial condition in the form of its Financial Statements is included in the Securities and Exchange Commission Report, Form 10-Q of Petitioner's direct parent company, D.R. Horton, Inc. which is attached hereto as Exhibit "16", and incorporated herein by this reference. The Petitioner intends to use cash, internally generated cash flow and capital from the parent company's line of credit to fund the Proposed Project.

XV
AFFORDABLE HOUSING

Petitioner intends to meet its obligation of providing affordable housing according to the applicable requirements of the City and County of Honolulu at the time that relevant land use approvals are obtained.

XVI
STANDARDS FOR DETERMINING THE
BOUNDARIES OF AN "URBAN" DISTRICT

The proposed action is consistent with the standards for determining boundaries of the Urban District pursuant to HAR § 15-15-18.

Reclassification of the Petition Area to the Urban District and the subsequent City and County of Honolulu Zone Change Application would permit the Petition Area to conform to the surrounding land uses and would permit the low-to-medium density residential uses and recreational development. A detailed discussion of the conformity of the Petition Area to the Urban District standards (as set forth in Commission Rules § 15-15-18) will be contained in the Petitioner's EIS.

XVII
CONFORMANCE WITH THE HAWAII STATE PLAN

Based upon the facts, data and information contained in this Petition and the exhibits attached hereto, and by the evidence and testimony to be submitted by Petitioner in the proceedings herein, the Proposed Project is consistent with the Hawaii State Plan ("State Plan") as set forth in HRS Chapter 226, as amended, which is a guide for future long-range development for the State.

The Proposed Project generally conforms to the applicable goals, objectives and policies of the State Plan, and applicable

priority guidelines and functional plan policies. Further explanations and a more detailed description of the conformance of the Proposed Project will be contained in Petitioner's EIS.

XVIII
CONFORMANCE WITH CITY AND COUNTY OF HONOLULU
GENERAL PLAN AND THE EWA DEVELOPMENT PLAN

Based upon the facts, data and information contained in this Petition and the exhibits attached hereto, and by the evidence and testimony to be submitted by Petitioner in the proceedings herein, the Proposed Action is consistent with the applicable goals, policies and standards of the City and County of Honolulu General Plan (1992) and the Ewa Development Plan (1997, revised May 2000).

A preliminary discussion of the Proposed Project's conformance with the above-mentioned plans is included in the Petitioner's EISPN. See Exhibit "9", Section 1.7. Further explanations and a more detailed description of the conformance of the Proposed Project will be contained in Petitioner's EIS.

XIX
CONFORMITY WITH CHAPTER 205A

The purpose of the Hawaii Coastal Zone Management Program ("HCZMP") is to establish guidelines for the use, protection and development of resources within the coastal zone. Development activities in the coastal zone must conform to the HCZMP objectives and policies, as outlined in HRS Chapter 205A. The

HCZMP is supplemented by the City and County of Honolulu's Special Management Area ("SMA") that controls development along the shoreline and generally requires a permit from the County for activities in the SMA. The Petition Area is not situated within the SMA or shoreline setback.

Further explanations and a description of the conformance of the Proposed Action with the HCZMP and HRS Chapter 205A will be discussed in Petitioner's EIS.

XX

IMPACTS ON NATIVE HAWAIIAN CUSTOMARY AND TRADITIONAL RIGHTS

The Proposed Project is expected to have little or no impact on Hawaiian culture, practices and traditions. Further, the Proposed Project would not adversely impact established rights of native Hawaiians who have customarily and traditionally used the Petition Area for (1) subsistence, cultural and religious practices or (2) access to other areas in order to exercise those practices.

As part of the Petitioner's EIS, a cultural impact assessment study will be conducted to assess the current situation and to ensure compliance with HRS Chapter 343.

XXI

NOTIFICATION OF PETITION FILING

Attached as Exhibits "17" and "18", respectively, and incorporated herein by reference, is a true and correct copy of the notification of the filing of this Petition and the

Affidavit of Sending of Notification of Petition Filing required
by HAR § 15-15-50(d).

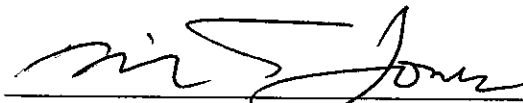
XXII
REASONABLENESS OF AND COMPLIANCE WITH
REQUIREMENTS FOR BOUNDARY AMENDMENTS

In accordance with Commission Rule § 15-15-77 and
HRS § 205-4(h), and based upon the facts, data and information
submitted herein and contained in this Petition and Exhibits "1"
to "19" and by the evidence and testimony to be submitted by
Petitioner in the proceedings herein, the district boundary
amendment requested by this Petition is reasonable, not
violative of HRS § 205-2, as amended, and is consistent with the
provisions of HRS §§ 205-16, 205-17 and 205A-2 and Chapter 226,
as amended.

Petitioner prays for an Order Amending the Land Use
District Boundary of the Petition Area from the Agricultural
District to the Urban District.

DATED: Honolulu, Hawaii, January 24, 2007.

D.R. HORTON - SCHULER HOMES, LLC,
a Delaware limited liability
company, d.b.a. D.R. HORTON-
SCHULER DIVISION

By 
MICHAEL T. JONES
Division President

