A69-216 - PUAAHALA COMPANY

October 13, 1971

Pacific Basin Land Company
c/o Mr. Don Case
P. O. Box 494
Honolulu, Hawaii 96809

Dear Sir:

At its meeting on October 8, 1971, the Land Use Commission approved the following motion:

> "In regard to petition A69-216 dealing with land located at Puaahala, Molokai, in the Paialoa Fish Pond area, the State Land Use Commission notify the owner and/or developer that unless a performance time schedule and development plan satisfactory to the Land Use Commission is presented to the Commission no later than at its meeting on Oahu, November 19, 1971, the Land Use Commission intends to initiate a petition to restore said land to its land use designation that was in effect prior to the Commission's rezoning approval of petition A69-216."

It is therefore requested that you appear before the Land Use Commission to show reasons why the Commission should not initiate a boundary amendment to reclassify this property into another appropriate district classification.

If you are not presently the owner, lessee, or developer of the subject property, we would appreciate your notifying the Land Use Commission and the appropriate party as soon as possible.

We will notify you of the exact time and place of the November 19 meeting at a later date.

Very truly yours,

TATSUO FUJIMOTO
Executive Officer

cc: Puaahala Company
c/o Francis Izumi

Friendly Isle, Inc.
c/o Dan Case
P. O. Box 494
Hon., Hi. 96809

STATE OF HAWAII
LAND USE COMMISSION

VOTE RECORD

ITEM A69-216 - PUAAHALA COMPANY DATE October 8, 1971

PLACE Kaunakakai School Cafeteria TIME 7 p.m.
Kaunakakai, Molokai

NAME	YES	NO	ABSTAIN	ABSENT
YAMAMURA, TANJI	✓			
NAPIER, ALEXANDER	✓			
TANGEN, EDDIE	✓			
MARK, SHELLEY				✓
KIDO, SUNAO				✓
SAKAHASHI, STAN	✓			
WUNG, LESLIE	✓			
INABA, GORO	✓			

Comments: "In regard to petition A69-216 dealing with land located at Puaahala, Molokai, in the Paialoa Fish Pond area, the State Land Use Commission notify the owner and/or developer that unless a performance time schedule and development plan satisfactory to the Land Use Commission is presented to the Commission no later than at its meeting on Oahu, November 19, 1971, the Land Use Commission intends to initiate a petition to restore said land to its land use designation that was in effect prior to the Commission's rezoning approval of petition A69-216."

LAND USE COMMISSION

November 17, 1969

MEMORANDUM

TO: Mr. Myron Thompson

FROM: Ramon Duran

SUBJECT: Kuleanas in Puaahala Development, Molokai

At the Land Use Commission public hearing held in Kahului, Maui, on June 28, 1969, it was brought out at that time that a number of kuleanas totaling approximately 14 acres were situated within the area requested by the applicants for rezoning and that they were in the process of trying to purchase the kuleanas. The major difficulty was in locating the owners.

At the time of the action meeting, the issue was again discussed; and, the Commission was informed that the petitioners were still trying to purchase the kuleanas. Since the Land Use Law requires the signature on a petition initiated by the owner or lessee, we were unable to rezone these properties; and, therefore, they still remain in the Agricultural District.

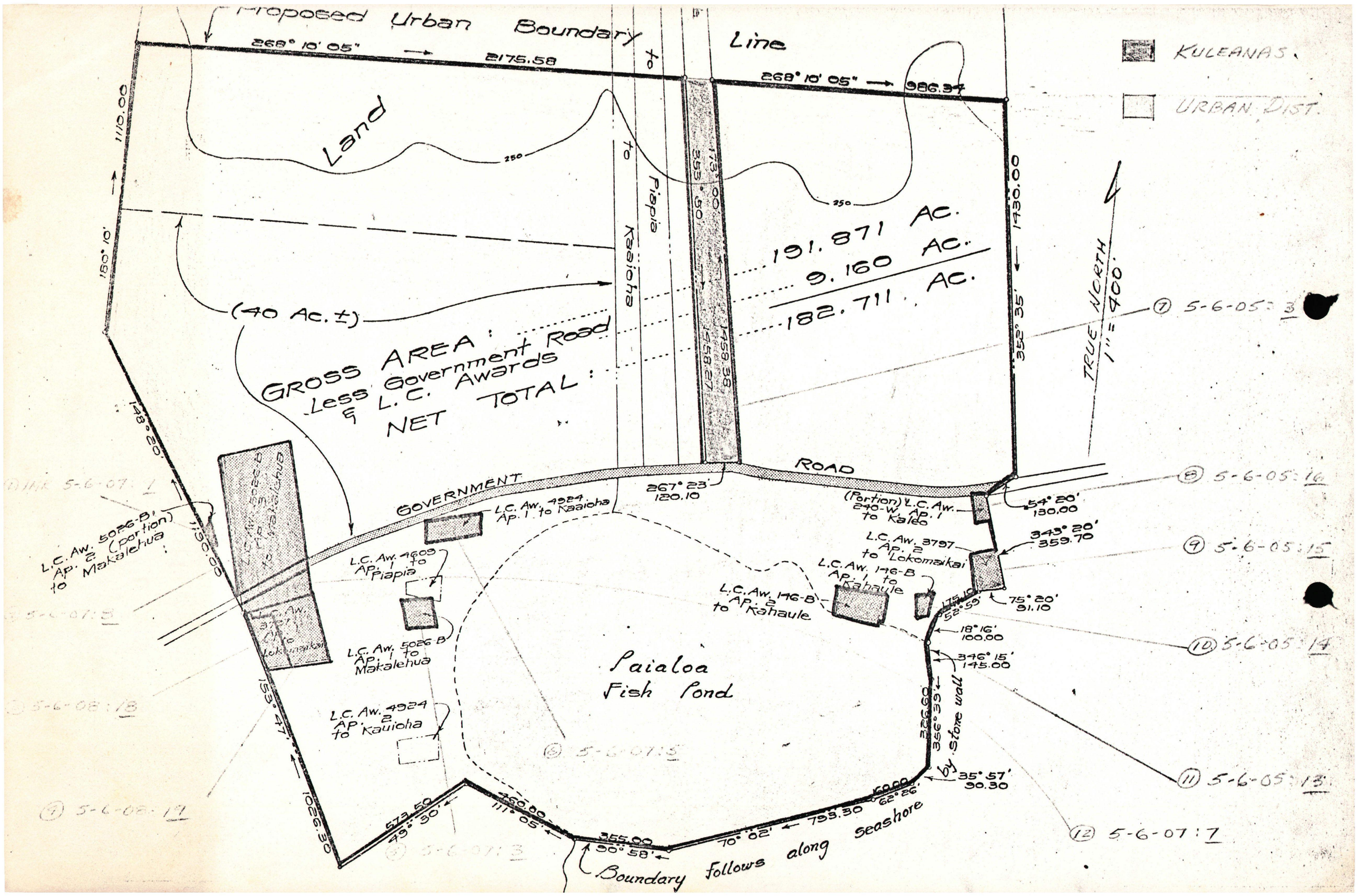
We are enclosing a list of Tax Map Keys and the property owners as listed by the State Tax Office and also a copy of the survey prepared by the applicants showing the new Urban District boundaries.

cc: Dr. Shelley Mark

KULEANAS IN PUAAHALA DEVELOPMENT, MOLOKAI

	TMK	Acres	Owner(s)
1.	5-6-07: 9	0.06	Mary K. Mahiai - 1/3 Paul Keaka - 1/3 David Kuahulu, Sr., - Curt/RT David Kuahulu (minor) Gabriel Kuahulu Leroy Kuahulu Bernard Kuahulu Jackie Kuahulu Douglas Kuahulu } 1/3
2.	5-6-07: 8	2.91	(same as above)
3.	5-6-08: 18	0.44	George P. Davis & wf. Beatrice L. - TE (A/S)
4.	5-6-08: 19	0.96	Minnie S. Louis
5.	5-6-07: 3	0.25	(same as 1.)
6.	5-6-07: 5	0.46	Moses Holani Edith K. Swan Mary K. Rodrigues - T/C
7.	5-6-05: 3	7.97	Abbie Welch Estate - 3/4 Elizabeth Kalaluhi Estate - 1/16 Rachel W. Puilihau - 1/16 Edith K. Papalimu - 1/16 Grace H. Papalimu - 1/16
8.	5-6-05: 16	0.25	Magoon Est. Ltd. - M/C William K. Lukela - M/C Annie, Miriam, Mary P., Mary K. & George Aola, Jr. - 1/4 M/C Josephine Kalilikane - M/C Sam Kalilikane - M/C James K. Kalilikane - M/C Sarah M. Kalilikane - M/C William K. Kalilikane - M/C John I. Kalilikane - M/C Ronald K. Kalilikane - M/C Eleanor T. Kalilikane - M/C

9.	5-6-05: 15	0.25	Josephine Mersberg (dec'd.) - M/C John K. Perreira & wf. Margaret K. (J/T) - M/C	
10.	5-6-05: 14	0.08	Abbie Welch Estate - 3/4 William, Alfred, & Hannah Iokama & Gabriel K., Minerva, Elizabeth, Robert, Alvin, Winona & Barbara J. Kalahui, & Rachael Puilihau, Edith K. Wong, & Grace Maliikapu	1/4
11.	5-6-05: 13	0.46	(same as above)	
12.	5-6-07: 7	0.51	(same as 1.)	
	TOTAL	14.60 Acres		



Proposed Urban Boundary Line
268° 10' 05" → 2175.58
268° 10' 05" → 986.34
KULEANAS
URBAN DIST.
Land
250
to Kaaioha
to Piapia
353° 50'
173° 00'
1458.27
1458.38
352° 35'
1430.00
1110.00
180° 10'
(40 Ac. ±)
191.871 Ac.
9.160 Ac.
182.711 Ac.
GROSS AREA:
Less Government Road
& L.C. Awards
NET TOTAL:
TRUE NORTH
1" = 400'
148° 20'
GOVERNMENT ROAD
267° 23'
120.10
L.C. Aw. 4924 Ap. 1 to Kaaioha
(Portion) L.C. Aw. 240-W Ap. 1 to Kaleo
54° 20'
130.00
L.C. Aw. 3797 Ap. 2 to Lokomaikai
343° 20'
359.70
L.C. Aw. 146-B Ap. 1 to Kahaule
L.C. Aw. 146-B Ap. 2 to Kahaule
75° 20'
91.10
52° 59'
18° 16'
100.00
346° 15'
145.00
L.C. Aw. 5026-B Ap. 2 (portion) to Makalehua
L.C. Aw. 4609 Ap. 1 to Piapia
L.C. Aw. 5026-B Ap. 1 to Makalehua
L.C. Aw. 4924 Ap. 2 to Kauioha
Paialoa Fish Pond
326.60
356° 39'
by stone wall
35° 57'
90.30
160.00
62° 26'
793.30
70° 02'
355.00
90° 58'
460.00
111° 05'
573.50
49° 30'
1026.30
153° 47'
1190.00
Boundary follows along seashore
⑦ 5-6-05: 3
⑧ 5-6-05: 16
⑨ 5-6-05: 15
⑩ 5-6-05: 14
⑪ 5-6-05: 13
⑫ 5-6-07: 7
⑥ 5-6-07: 5
⑤ 5-6-07: 3
⑨ 5-6-08: 19
⑤ 5-6-08: 18
⑤ 5-6-07: 8
① INK 5-6-07: 1

October 13, 1971

Don Case & J. Clarke
Attorneys at Law
536-7261 -- Pacific Basin Land Company &
Pacific Basin Travel Corporation

August 22, 1969

Mr. Francis M. Izumi
Attorney at Law
Suite 905, City Bank Building
810 Richards Street
Honolulu, Hawaii 96813

Dear Mr. Izumi:

The petition by Puaahala Company (A69-216) to amend the land use district boundaries from Agricultural and Conservation to an Urban District at Puaahala, Molokai was approved in part by the State Land Use Commission at its meeting on August 14, 1969.

Approximately 183 acres described by the following tax map keys and shown on the attached map were redistricted:

Tax Map Key	Acres	Change
5-6-05: portion of 12	(35.5 acres)	- Conservation to Urban
" " " "	(11.6 acres)	- Agricultural to Urban
" " " 1	(6.5 acres)	- " " "
5-6-06: portion of 2	(111.0 acres)	- " " "
5-6-07: 1	(17.6 acres)	- " " "
2	(0.3 acre)	- " " "
4	(0.2 acre)	- " " "
	182.7 acres	

Your attention is invited to the enclosed map which shows in blue the areas excluded from this rezoning. These parcels remain in the Agricultural District. Your attention is also invited to Section 2.33 of the Rules and Regulations of the Land Use Commission regarding substantial progress in the development of areas rezoned within a 5-year period of approval of the boundary change.

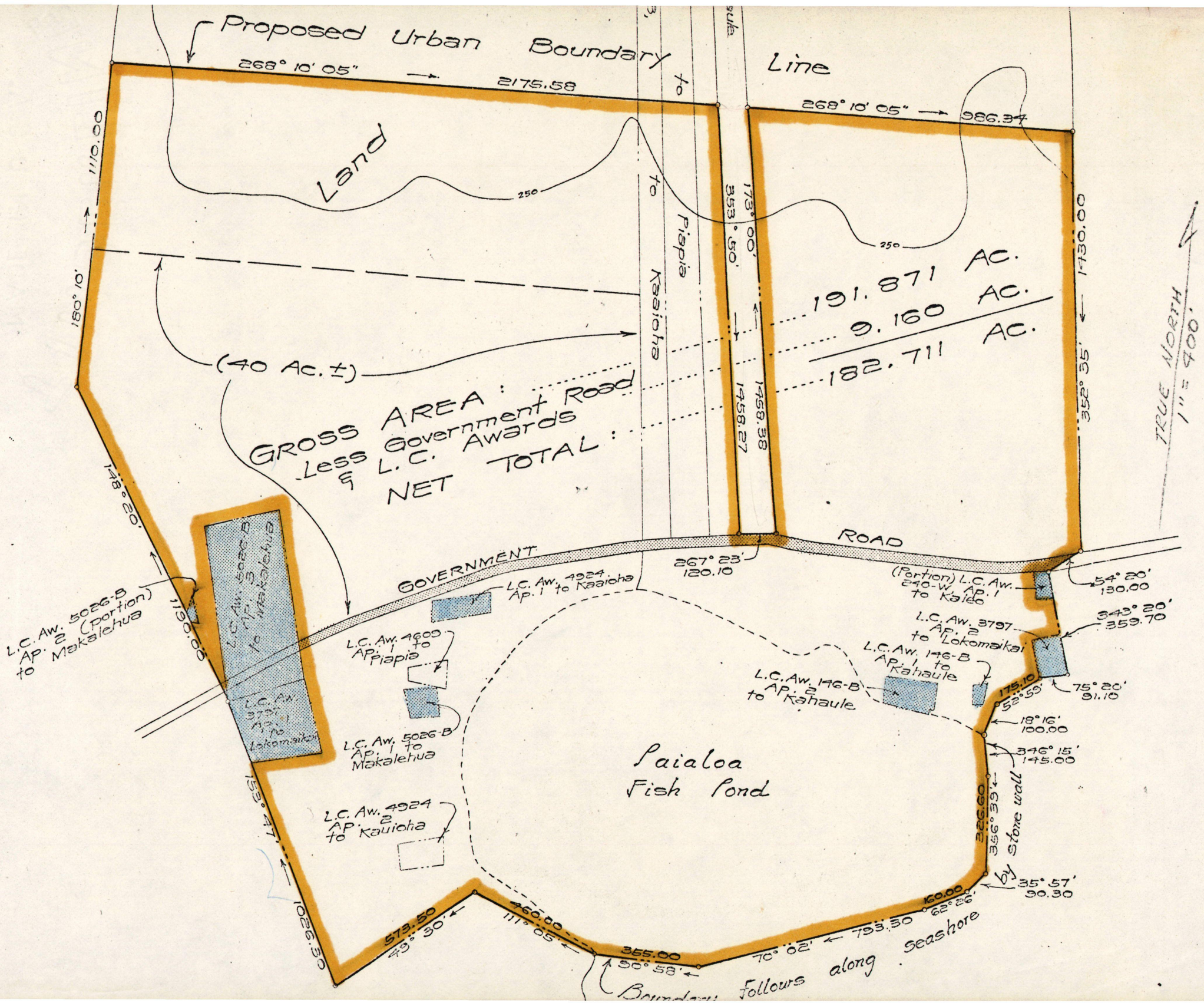
Very truly yours,

RAMON DURAN
Executive Officer

Encls.: Map
Rules & Reg.

cc: Maui Planning Commission
Dept. of Taxation
Dept. of Land & Natural Res.
Dept. of Education
Forestry Division, DLNR - Herbert H. Kikukawa, Dist. Forester

bcc: Dr. Mark



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Kaaioha to Piapia
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793.30
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90° 58'
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573.50
49° 30'
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L.C. Aw. 4924 Ap. 2 to Kauioha
Paialoa Fish Pond
Boundary follows along seashore

Action A69-216
Puala--800 [redacted] es on Molokai
August 14, 1969
7:00 p.m
Legislative Auditorium
Honolulu
(held same time as Adoption of Oahu Boundaries meeting)

Ron

Mr. Chairman, members of the Commission, the petitioners are asking that approximately 800 acres of land now zoned agricultural-conservation be zoned in the urban district. The subject lands formerly in the property is substantially all of of Puaahala on the south shore of the island of Molokai approximately 8 miles ~~of~~ east of Kaunakakai between and Kawaeloa Harbor. Approximately 90 acres at the mauka end of the subject lands are in the forest reserve and zoned in the conservation district. from the property is the Paialoa Fishpond containing approximately 35 acres and also in conservation. The remainder of the property is in the agricultural district. Kam Highway, Kam V Highway, separates from approximately 68 acres on the makai side ~~of~~ the area in question of the highway on the mauka side. The makai side/is low with marshy sections whereas the mauka side is densely covered with brush and kiawe trees. The area is not in any agricultural use at the present time and may have been used for cattle grazing in the past. The Land Study Bureau has rated most of the land either D or E, poor or very poor for agricultural use. There are gulches on either side of the Mauka property in question. The petitioner, Mr. Paul Noel, proposes a resort-residential community development on the property. Mr. Noel proposes to have the reef dredged for

a yacht basin using the dredged material to fill the fishponds on the lower lands on the makai side of the highway. Agricultural lands on the mauka side of the highway have a slope of approximately 25%, which increases to possibly 40% in the forest reserve area. Adequate electricity and water will be made available for the development. The petitioners plan to build sewers also. C.R. Williams Company of Honolulu, managers of the ℄ Pacific Basin Travel System, a company constructing a chain of hotels in this state, has a contract to purchase 80 acres of the area in question--40 acres on the makai side, 40 acres on the mauka side of the road to construct a 250 unit hotel in the next years. The Maui County Planning Commission recommends that an urban designation be approved below the 250 elevation; the fishpond remain in conservation, and the dredging of the sea and the filling of the pond be processed in the Department of Land and Natural Resources; the area up to the 1000 ft. elevation remain unchanged to be developed later under the incremental zoning concept, all in accordance with the Molokai General Plans; and the area above the 1000 ft. elevation remain unchanged. The Land Use Commission staff recommended that the developer's general land use plan be approved in concept pursuant to the zoning and increment section of the new regulations and that the makai portion of the project in question below the 250 ft. elevation similar to the County recommendation involving approximately 165 acres be rezoned urban and permit the developers the opportunity

to complete the 250 unit hotel and marina on the makai side of the road and employee housing and a subdivision on the mauka side of the road. The developers' five year incremental schedule submitted in support of the petition includes the construction of 975 hotel units, marina, bar, yacht club, restaurant, launching ramp, marine fuel dock and 30 apartment units below some housing. The staff recommended that this evidence be accepted as a condition to be substantially completed within 5 years future purchaser or developer before rezoning any additional lands. It was also recommended that the signatures of the owners of approximately eight kuleanas be obtained before the rezoning is enacted or before the property is acquired by the petitioners. At the public hearing the petitioners both using their construction schedules submitted in support of their petition as a condition for future zoning. However rather than agreeing to construct 975 hotel rooms in the first five year development time table, they did agree to construct only 250 rooms. There was no suggestion as to the number of employee housing that would be constructed, or cost. Mr. Noel did agree to have the marina excavated, 25-30 apartment units, and an increment of residential lots constructed. No additional evidence has been received in the office since the public hearing other than a letter from Tony Worthington supporting the request because of the need for a marina in this area and serving that with the property in question providing boundary descriptions. Therefore the staff

maintains its original recommendation approximately 165 acres makai of the 250 ft. be zoned urban district conditional upon a five year construction schedule time performance section of the new Land Use Commission regulations. It is further recommended that setback from the water be established for all buildings, particularly the sewage disposal plant because of possible pollution of the sea, and to maintain and enhance the of the shoreline. Are there any questions, Mr. Chairman?

___ Why did you recommend getting the signatures of the owners of the 8 kuleanas before proceeding? or acquiring it

Ron The reason for that is because if you will look at this map you'll note that there are a number of shaded parcels within the total area being considered for rezoning. Now we can't zone these parcels without the signature of the applicants and so if you were to rezone the area you would then end up with a number of pukas within the urban district. This is undesirable from the standpoint of logical districting; it would be better avoided. And so my condition was at that time if the applicants could purchase these kuleanas then of course that would resolve the problem. I understand they either have purchased some of that or are in the process of purchasing but I'm sure Mr. Izumi can expound on that.

Choi Any other questions?

___ Yes. Ron, did the petition proper consider the inclusion of the Paialoa Fishpond?

Ron It was their intention that that also be zoned urban.

___ Are there any marine values in there to be conserved?

Ron From the testimonies presented at the hearing at that time, there would appear to be no significant historical or marine or agricultural characteristics of this pond.

___ The reason why I asked is in your staff report that Mr. Noel proposes to have the reef dredged for a yacht basin using the dredged material to fill the fishpond and the low land to the makai side of the highway. I presume he is to fill the fishpond. Now if he is going to fill the fishpond I presume its going to take an urban like character in there that might necessitate urban zoning rather than having it in conservation and allowing the Department to implement this by way of reg. four.

Ron Yes. The proposal of the County was that it not be rezoned to conservation although the staff did recommend that it be rezoned to urban.

Choi Ron in that case the boundary that follows on the makai side of the fishpond will be the urban boundary.

Ron That is correct. I believe that our consultants did not agree with that recommendation, however. I believed they endorsed a concept similar to that which was enacted by the Commission on Keia Fishpond, that is, a portion of the pond be retained as water recreational area.

___ Ron, may I ask one more question with respect to the fishpond; actually Isn't it ~~rather~~ a mudflat rather than a fishpond?

Ron At the time I visited the site it was high tide and it was under substantially ~~in/the~~ water.

Choi Any other questions?

Izumi My name is Izumi. I'm here on behalf of the petition on Puahala Property. I'd like to congratulate Mr. Duran on the excellent report except for a few points which need to be clarified . First of all I'd like to clarify the of the property, which is the subject for this petition. It does include all of the of Puahala and describes This comprises a net area after ~~exc~~ exclusions being the shaded areas of some 783 acres. Since then, however, we have acquired three kuleanas and these are not shaded. I had submitted a letter to Mr. Duran in view of the possible misunderstanding we had at the last public hearing that these kuleanas are in fact owned by the Puahala Company. My document has already been filed on record in both the Land and Bureau of . Again, I'd like to identify these kuleanas that ~~a~~ were acquired. In this portion here which is 56051, this unshaded kuleana, which is 56072, this unshaded kuleana which is 56074. With that in mind I'd like to briefly the petition

all the way through a public hearing by the Maui Planning Commission and we have the also a public hearing on June 28. And we have in particular the fact that the full time general plan which we're in the course of the Commission's consideration of the petition has si nce been adopted by the Maui Council on July 18, 1969 and includes the regions in which the subject property is located as the hotel and tourist designation area. I realize its been a long and torturous road for the of the Commission and the petitions and it seems in the course of the evidence and testimonies that were submitted and various public hearings and the hearings of special interest groups particularly on Molokai ....Now coming back to the recommendation of the staff proposed in its report submitted at the June 28 meeting and finally in the report dated today for this meeting it is significant that the recommendation is consistent in that the staff requested that areas makai of the 250 ft. elevation be zoned urban. In its first report it also remarked that this would include the filling of the fishpond for construction of the first phase development of a 250 unit resort hotel. So this is to lend emphasis to the fact that while he was on property, which is the subject of this petition along the fishpond the fishpond wall or the outer edge wall of the seaward boundary of our property.

In connection with this project and I'm sure the the Commission noticed already from previous testimony the petitioner is in the process of finalizing engineering plans and construction design for the marina in the adjoining offshore waters and submerged lands which would be contiguous with the property in question. An application for work term permit has already been submitted to the United States Corps of Engineers and also to the Harbors Division of the Department of Transportation. Now that's the substance of my remark and I'd like to conclude.... Yes in the five year development plan at the time we submitted our report to Mr. Duran's office there was contained in the report explaining the adoption of the rules which you recall on the public hearing on Maui we did confer with the principal of the five year incremental zoning plan and incidentally this is one point I'd like to clarify in view of Mr. Duran's report today as a matter of fact this is not true. If you remember in ~~Thur~~ Thursday's discussion under the old rules and the legal enforceability of that .... green line here. above the Kam V Highway.... proposed marina area that adjoins the property. In addition to acquiring through appropriate governmantal ~~agencies~~ authorities including the Corps of Engineers and the Harbor Division for any use to be made of the offshore and the submerged land and the application for the marina which has to be submitted and has been submitted to the Dept. of Land and Natural Resources we can

jurisdiction in this area.

Ron Mr. Chairman, the report which I referred to which I thought was their five year projection was not agreed to. I raised that issue that originally they said that hotel in the first five years and we were talking in the end about our new regulations where the performance time section condidtions in terms of the five year program might be opposed by the Commission...whatever be submitted as appropriate and that's why I question the 975 rooms, 365 lots and the 220 apartment units that you have said will be built in five years. But you didn't agree ~~ø~~ to that as a condition and it was toned down to agree to build 250 units, hotel units, and 20-30 apartment units and some lots. This is why I would like the record to be clear so that you may tell the Commission what you plan to build ~~ø~~ in the next five ~~ø~~ years.

Izumi construction was ~~the~~ the fact that condition contained in the report of June 28 meeting was to require an agreement to this and this obviously was before the effective day of the new regulations August 4. I had only your report at that time to consider. This was the reason

Ron Now that we understand this is not a argument what is it you propose

Izumi Substantially, because its the intent of the petitioner to request assuming a favorable position tonight to request from

the Maui Planning Commission by the filing of a petition Monday that hotel medium within a county hotel fishing resort area makai of Kam V Highway for Bl business district for the area mauka and southeast of Kam Highway as well as A2 multiple family apartments and finally R3 residential.

Choi Mr. do you go along with this staff recommendation?

___ Yes I do to the extent that he recommends an urban designation for all lands makai of....

___ Yes I'd like to discuss that. I think that also needs to be clarified in that we had originally asked for the redesignation or rddistricting of the entire Oahu which states that above the 1000 ft. elevation which goes into the forest reserve zone. This obviously was unrealistic but we did ask for the redesignation in that fashion. The we have since reoriented our aims that we have requested up to the 1000 ft. elevation and to a minimum of the 500 ft. elevation for contour. In light of the so-called five year development plan and by this I don't mean that additional or increase implies that it would be incapable of performing within the five year development plan up to the 500 contour that we decided to go along with the staff report to the 250 ft. elevation. Now this brought up the question of what would be the best evidence of an urban or land use district boundary. Rather than the kind of lines that are drawn on hour land use district maps, the official maps on file as well as on the five year boundary review maps, we acceeded to

the suggestion by Mr. Duran that we get a metes and bounds map. Now in all fairness to Mr. Duran what is designated as on the map before you as the proposed urban boundary line was purely a decision on our part to be as consistent as possible with the recommendations of the staff in both reports in that we felt the green line here which marks the upper 40 of Pacific Basin Land Corporation the title holding entity that the square lot area this strip of land would permit orderly planning and would allow the our engineers the latitude that they required for constructing desgins of roads and for establishing a good road and lot pattern. And this is the only reason for establishing what we designate the proposed urban boundary on the upper reaches of this property.

Inaba On these shaded kuleanas, do you have a lease ability in the ?

Izumi No we do not.

Inaba Then in other words when we zone these properties we will zone something you don't actually own. You are not petitioner....

Izumi No sir, Mr. Inaba because if you will look at our petition as well as this map up here. On the map before you the shaded areas denote the areas excluded from the petition because we have not right either under the statute or the regulations since we're neither owners nor leasees nor interested parties of petitions for rezoning of those shaded areas.... My client is in the process of acquiring because these are undivided interests

and possibly in some cases there would have to be a petition filed in court for the determination of heirs and its a lengthy process so they are necessarily excluded.

Ron Mr. Izumi I understand the zoning of this area will be B1, business?

Izumi Yes

Ron Do you know how many acres will be involved?

Izumi No we're finalizing in view of the Countour Maps above the 50 ft. elevation we're finalizing these maps with Corporation which would give us a better idea of what the configuration of County use zone districts would be in that area.

Ron So at this time you don't even know if you're going to get this zoning from the county.

Izumi Obviously we don't know because we can't proceed

Ron Your general plan has nothing for a commercial area in there? You mean the County General...adopted by the Maui County Council? No.

Ron What about the parking area...?

Izumi No.

Ron What about hotels?

Izumi Yes.

Ron And what is the density of hotel zone...what would the district be and the density permitted?

Izumi By recent amendment to the hotel district by ordinance number 590 these are the area height regulation and lot coverage regulation.

I'll cover them all if you wish, including density. Area regulations: minimum lot area shall be 10,000 square feet in H1 hotel district, 15 square feet in Hm and 20,000 square feet in H2 district. Minimum lot frontage shall be 70 feet for H1, 85 for Hm, and 100 feet for H2. On heights no building shall exceed two stories for H1, six stories in Hm, and 12 stories in H2 district. Lot coverage: the total ground area occupied by all buildings shall not exceed 25% of the lot area in H1, 30% of the area in Hm, and 35% in H2 district. It is our intent to request Hm.... By a curious circumstance the County of Maui has never had until recently a general plan for Molokai and has never adopted or implemented the general plan within the framework of the comprehensive zoning ordinance so what has been done on the island of Molokai you might characterize as a technical subterfuge. It should implement uses through the instrument of these variance.... four stories our present plan by.... I really can't say but according to the schematic that was supplied by at the public hearing for the subject property they will be going or rather for the Molokai rather Maui hotel development they are going four stories....

Ron Mr. Anderson testified at our public hearing that no building should be built higher than two stories on Molokai.

Izumi I don't recall that he did.

Ron How many hotel units do you propose ...

Izumi Initial phase development 250 units. In the first five year development plan it is our intention to adhere as much as possible to the schedule we submitted in our report to you to the extent that we're permitted to... oh we urban district up to the 250 ft. contour...No we don't. According to this report this has got to be updated 90 units.

___ Low income housing hasn't gone into that at all...

Izumi Well I don't know by what standard you would consider a unit to be a low income unit but there will be a concerted effort and this is a committment on the part of the hotel developers in view of what they project to be a staff of hotel employees numbering 250 to provide appropriate housing for them for those who will require housing in that area.

___ So your objective is to house people who will work in the hotel area.

Izumi That's correct.

Nishimura Yes Mr. Chairman I think the policing power should be left up to the Maui Planning Commission.

Choi Any other questions? If not, thank you, Mr. Izumi....

Izumi Did you say beyond the fishpond wall? Our seaward boundary? ...Show the reef...and this is clear water, incidentally...if by high water mark you're talking about the legal implications that flow from that term, it doesn't apply in this case because we're talking about land property, which is registered.

So we're not concerned with the question of seaward boundary as described by words like "along the shore," or "along high-water mark."

Choi In other words you have bounds... Your sea wall would be your

Izumi Right. That fixes for the purpose of ownership claim. It fixes permanently the extent of our property because its registered.

Choi Any other questions? (question raised)

Izumi In the makai forty we talked about it as being in the precess of being acquired by PBLC would include a portion of the fishpond which incidentally measures some 26 or 27 acres or thereabouts. The hotel would be sitting assuming the site preparation was completed the filling of the fishpond what would have been the fishpond before.... In a way I'm glad you raised the question and in a way I'm unhappy that you did because we're getting into a hairy situation and its my contention I'm expressing only my opinion based upon.... Well, since you asked its a legitimate question that needs to be answered based upon the Attorney General's of June 25, 1962 number 62-33 in which the and the results of purported Commission action to establish minimum size lots in the agricultural district the question was raised whether or not the Commission did have that authority under the statute and regulations applicable to both the Commission and the several counties within a zoning jurisdiction. And the conclusion there was

because by express reference in the Land Use Statutes it was conferred upon several counties within agricultural, rural and urban with specific zoning authority and because by further more specific implementation of this expression with other statutes authorizing the several counties with specific land within their boundaries. It is my opinion that the conclusion arrived at in that case by the Attorney General would be equally applicable in this case because the county in its zoning ordinance specifically provides for yard space including setback.

___ Mr. Chairman I don't know how we got over into the agricultural zone. I just want to ask whether you think its a desirable thing to have a shoreline setback for this property, thats all. I think that's what Commissioner Wung wanted to know.

Izumi There should be a setback from shoreline except that the ... county does not describe it this way because the setback requirements are measured from property lines. They don't distinguish shoreline as such, but from property line.

Ron Mr. Izumi what are the requirements in these three districts for setbacks from the property line?

Izumi I didn't bring that knowledge with me tonight...Yes. I was quoting from Ordinance 590 which is an amendment....

Choi setback required distinctive zoning but you're trying to that hotel development will have a setback from the shore ....

Izumi Absolutely yes in line with the minimum zoning requirements of the county zoning authority

Ron Mr. Chairman is it a fair question to ask if the Molokai Hotel has observed this setback requirement as prescribed by county ordinance?

Choi I don't think that's a fair question because we're not discussing Molokai

___ Mr. Chairman one question. What did the consultants have to do with the setback....

Ron Mr. Chairman is it a fair question to ask Mr. Izumi what he thinks the setback should be?

Choi I believe so, if Mr. Izumi would like to answer this question.

Ron Mr. Chairman with all this consulting could I read a letter to the Commission which has been received from the State Health Department and says "Gentlemen in as much as the proposed development above... the area in question is adjacent to Class AA___ water area we would like to strongly emphasize that serious consideration be given to the providing of ample space for the treatment of sewage resulting from the proposed resort. Now is it a fair treatment to ask how far the sewage treatment plant will be set back.

___ Mr. Chairman I would like to get a clarification. Are we really talking about setbacks? Setbacks are problems of the County not of the State Land Use Commission. We're talking about establishing a conservation buffer zone around the shoreline. That's another

thing. But I think we're intermeshing conservation buffer zone with setbacks. Setbacks are the county's responsibility and the petitioner has the responsibility when making application for building permit to conform to the county building setback. I don't think its proper for the State Land Use Commission to impose ~~it's~~ a building setback as such. If you want to impose a conservation buffer zone that's another question.

Izumi Mr. Chairman may I interject. I think I realize Mr. Wung's real concern with development along the shore. I didn't mean to because I didn't feel it was really pertinent to the discussion tonight to display the marina preliminary plans which were submitted to the . This will indicate the aesthetics along the ocean front for most essentially all of the seaward boundary of this property.

Choi Can you display that? Is the map large enough to be displayed?

Izumi Yes its a rather large map. This incidentally was drawn up to meet the requirements of the Corps of Engineers and the Harbors Division. First of all let me delineate the outer perimeter of the marina for which application has been made. It will be along this line. To orient you this is the south wall and this area is the existing fishpond.... We've designated a public along all of the shore frontage owned by along here and up to the of the marina. Now its our purpose to enhance the beauty of the shoreline because this is a beautiful area in that you have pure crystal water. Create a public beach

we would have absolutely no ownership interests in this area. We would be willing at our own possible expense to create that beach to dedicate a right of way...providing access of boats to the marina. The developers and to the public beach. It may be somewhat premature insofar as and residential resources are concerned because in no way in our application to the Land Department did we allude in any way to a beach being created for the public. I'm sorry it had to come out this way....

Choi It has been moved and seconded that the line as drawn on the map all land makai of that be zoned urban. Are you ready for the question?

Vote:

Nishimura--Aye
Napier--Np
Kido--Aye
Mark--Aye
Yamamura--Aye
Wung--No
Inaba--Aye
Choi--Aye

A69-216 file

MEMORANDUM

TO: RD

FROM: JS

SUBJECT: Mr. Anderson's Testimony (Puaahala Co.) at June 28, 1969, public hearing

(ANDERSON) As president of Pacific Basin Land Corporation we are under contract right now with Mr. Noel to purchase from him the 40 acres mauka and 40 acres makai portion and we in turn will be leasing a site on the makai portion of Pacific Basin Travelers Corporation, which is the hotel operating company. We are both in the same family--both companies. We are about to break ground on Maui which is right here. I do not wish to enter this into thepublic record but will be very happy to show it to you as individuals as to the concept of what we have planned. We have a very important strategic market plan nationally PBTS the hotel corporation that acquired Robinson's Hawaii Tours that is our marketing arm. We arefirm believers in the concept of low rise. As a matter of fact, if in the future someone wanted our support for a height restriction for this whole area, I think that we would definitely support it and would go out and lobby for it to be frank with you. But the Maui Hotel will be 5 stories in height because we are on a 7.3-acre site. Our site is quite tight for What we are trying to achieve marketing wise.

Our market is the middle to upper middle income hotel traveler around the $28 room rate market at the present time. We will proceed ahead with the hotel of at least 250 rooms. This is just a very preliminary schematic done for your purposes for the hearing by Pete Wimberly who is our architect for Maui. It takes a long time to master plan an 80 or 80-acre portion and for me to decide whether I agree with that master plan from the standpoint of building other buildings on it or develop condominiums for hopefully low cost or low cost multiple housing. So, in this portion there are a lot of other things that we have to--it takes a long time to decide on these things. We would have to decide who is going to be our land planner first of all but speaking for the hotel corporation and those gentlemen I'm sorry were unable to be here because they are back in New York at a Board of Directors meeting. We are prepared to go ahead on this 250 room hotel but really that is about the only thing we could say to you as far as the 5 year plan. I would be very happy to say we will build a 250 room hotel within 5 years but I can't say to you today what I'm going to do with the rest of this makai portion or the 40 acres mauka. I'm sorry it is an age old problem. I'm very sympathetic. I've been through commissions before in California about this problem. I can understand your feelings. Believe me, I can

speak being a newcomer here I'm getting a lot of this land speculation on option being thrown at me when pieces are being offered and that it is zoned and everything and because it is zoned it is worth X$. For instance, it is not zoned and it is worth minus X$ and there is plenty of land speculation going on--plenty of it--I'm not telling you anything I'm sure. So, that is about all we can say. We have an overall program going. We're going to build 5 hotels in the Hawaiian chain. From there, we go out to the Pacific Basin--Fiji, Australia, Samoa, New Zealand. The director of our hotel development company is Mr. Lee Dayton who is the former head of Hotel Development for Intercontinental Hotels which is the hotel subsidiary of Pan Am as you well know. He has built 15 hotels throughout the world. He is a great guy--he is retired from Pan Am.

STATE OF HAWAII

LAND USE COMMISSION

VOTE RECORD

ITEM A69-216 - PUAAHALA COMPANY DATE August 14, 1969

PLACE Legislative Auditorium TIME 7:00 p.m.
State Capitol

	YES	NO	ABSTAIN	ABSENT
NISHIMURA, SHIRO	✓			
M NAPIER, ALEXANDER	✓			
CHOI, WILBERT	✓			
KIDO, SUNAO	✓			
MARK, SHELLEY	✓			
5 YAMAMURA, TANJI ~~MURAKAMI, XXKEIKO~~	✓			
WUNG, LESLIE	✓			
INABA, GORO	✓			
BURNS, C. E. S.				

COMMENTS:

Map of petitioners CARRIED

STATE OF HAWAII
LAND USE COMMISSION

MEMORANDUM

TO: LAND USE COMMISSION

August 14, 1969
7:00 p.m.

FROM: STAFF

SUBJECT: A69-216 - PUAAHALA COMPANY

The petitioners are requesting that approximately 800 acres of land presently zoned agriculture and conservation be rezoned into the Urban District. The subject land, formerly the Rose A. Aping property, is substantially all of Ahupuaa of Puaahala on the south shore of the island of Molokai, approximately 11 miles east of Kaunakakai between Kamalo and Kalaeloa Harbor.

Approximately 90 acres at the mauka end of the subject land are in the forest reserve and zoned in the Conservation District. At the makai end of the property is the Paialoa Fish Pond containing approximately 35 acres also in the Conservation District. The remainder of the property is in the Agricultural District.

Kamehameha V Highway separates approximately 68 acres on the makai side from the remainder of the area in question on the mauka side. The makai side of the highway is low and marshy in sections, whereas the mauka side is densely covered with brush and keawe trees. The area is not in any

agricultural use at the present time and may have been used for cattle grazing in the past. The Land Study Bureau has rated most of the subject land either "D" or "E", poor or very poor for agricultural use. There are gulches on either side of the mauka property in question. The petitioner, Mr. Paul Noel, proposes a resort, residential-community development on the property. Mr. Noel proposes to have the reef dredged for a yacht basin using the dredging material to fill the fish pond and the lower lands on the makai side of the highway. The agricultural lands on the mauka side of the highway have a slope of approximately 25 percent which increases to approximately 40 percent in the forest reserve area. Adequate electricity and water will be made available for the development. The petitioners plan to build a sewer system.

C. R. Williams Company, Honolulu, Hawaii, managers of the Pacific Basin Travel System, a company constructing a chain of hotels in the State, has contracted to purchase 80 acres of the property in question--40 acres on the makai side of the road and 40 acres on the mauka side of the road to construct a 250-unit hotel in the next five years.

The Maui County Planning Commission recommended that an urban designation be approved below the 250-foot elevation;

the fish pond remain in conservation and the dredging of the sea and the filling of the pond be processed through the Department of Land & Natural Resources; the area up to the 1,000-foot elevation remain unchanged and be developed later under the incremental zoning concept--all in accordance with the Molokai General Plan; and the area above the 1,000-foot elevation remain unchanged.

The Land Use Commission staff recommended that the developer's general land use plan be approved in concept pursuant to the zoning in increments section of the new regulations and that the makai portion of the project in question below the 250-foot elevation, similar to the County recommendation, involving approximately 165 acres, be rezoned urban to permit the developers the opportunity to complete the 250-unit hotel and marina on the makai side of the road and employee housing and subdivision on the mauka side of the road.

The developer's five year incremental development schedule submitted in support of the petition included the construction of 975 hotel units, marina, restaurant, bar, yacht club, launching ramp, marine fuel dock, and 30 apartment units for low-income housing. The staff recommended this evidence be accepted as a condition to be substantially

completed within the next five years and to be binding on the future purchaser or developer before considering rezoning any additional land to the Urban District.

It was also recommended that the signatures of the owners of approximately eight kuleanas be obtained before rezoning is enacted or the properties be acquired by the petitioners.

At the public hearing the petitioners opposed using their construction schedule submitted in support of their petition as a condition for future zoning. However, rather than agreeing to construct 975 hotel rooms in the first five year development timetable, they did agree to construct only 250 rooms. There was no suggestion as to the number of employee housing units that would be constructed or costs. Mr. Noel did agree to have the marina excavated, 25-30 apartment units and an increment of residential lots constructed.

No additional evidence has been received in the office since the public hearing other than a letter from Toni Withington supporting the request because of the need for a marina in this area and a survey map of the property in question providing boundary descriptions.

Therefore, the staff maintains its original recommendation that approximately 165 acres makai of the 250-foot contour be

zoned in the Urban District conditioned upon a five year construction schedule pursuant to the "Time Performance" section of the new Land Use Commission Regulations. It is further recommended that a setback from the water be established for all buildings particularly the sewage disposal plant because of possible pollution of the sea and to maintain and enhance the aesthetics of the shoreline.

August 6, 1969

Mr. Francis M. Izumi
Attorney at Law
Suite 905, City Bank Building
810 Richards Street
Honolulu, Hawaii 96813

Dear Mr. Izumi:

The Land Use Commission next meets at 7 p.m. in the Legislative Auditorium, Chamber Level, State Capitol, on August 14, 1969.

On or about that time a decision on the petition by Puaahala Company (A69216) will be rendered.

Should you wish to attend, please feel free to do so.

Very truly yours,

RAMON DURAN
Executive Officer

2827

FRANCIS M. IZUMI
ATTORNEY AT LAW

SUITE 905, CITY BANK BLDG.
810 RICHARDS ST., HONOLULU, HAWAII 96813

TELEPHONE 537-4826

June 12, 1969

RECEIVED
JUN 12 1969
State of Hawaii
LAND USE COMMISSION

Land Use Commission
State of Hawaii
State Capitol Building
Honolulu, Hawaii

Attention: Mr. Ramon Duran
Executive Officer

Gentlemen:

Re: Petition No. A69-216
(Puaahala Co.)

Transmitted herewith in support of the captioned petition for land use boundary amendment are the original and nine copies of a report prepared by Molokai Land Corporation.

With the permission of Mr. James E. Richmond, we are also transmitting, as a supplement to the foregoing report, one copy each of the Phase I and Phase II reports on studies of market demand and economic feasibility of a proposed resort-hotel complex on lands adjoining those of the petitioner. In view of the substantially similar scope of Mr. Richmond's proposed resort-hotel development and the proximity of its location, we feel that these reports are pertinent to Puaahala's petition and should be considered in support thereof.

We will be happy to furnish any further information you may require or answer any questions you may have.

PUAAHALA CO.

By: Francis M. Izumi
FRANCIS M. IZUMI
Attorney at Law

FMI:vt
Encl.

2889

FRANCIS M. IZUMI
ATTORNEY AT LAW

SUITE 905, CITY BANK BLDG.
810 RICHARDS ST., HONOLULU, HAWAII 96813

TELEPHONE 537-4826

RECEIVED
JUL 15 1969
State of Hawaii
LAND USE COMMISSION

July 11, 1969

Land Use Commission
State of Hawaii
P. O. Box 2359
Honolulu, Hawaii 96804

Attention: Mr. Ramon Duran
Executive Officer

Gentlemen:

Re: Petition No. A69-216
Puaahala Co., Petitioner

At the public hearing held on Maui on Saturday, June 28, 1969, it may have appeared from the testimony taken that the Petitioner did not own 3 of the Kuleanas within the Ahupuaa of Puaahala. The 3 Kuleanas are identified by TMK 5-6-05:1, 5-6-07:2 and 5-6-07:4. You will recall that an amendment to the Petition had been filed with the Commission to include all of said Kuleana parcels.

To clarify any misunderstanding that might have resulted, please be advised that the Petitioner does in fact own said Kuleana parcels by virtue of an Agreement of Sale, dated May 1, 1969, to which reference has been made in that certain Memorandum of Land Sale contract, dated May 1, 1969, filed as Document No. 478031 in the Office of the Assistant Registrar of the Land Court and noted on Transfer Certificate of Title No. 47,039 issued to Francis Alexander Kilbey (now deceased) and Rose Aileen Kilbey (now Rose Aileen Aping), and also as Document 69-30712 in the Bureau of Conveyances and recorded there in Book 6592, Pages 32 to 35.

7/22/69 Xerox - Commissioners

It is also the purpose of the Petitioner, at some later date, to acquire the remaining Kuleanas within the Ahupuaa of Puaahala.

Very truly yours,

PUAAHALA COMPANY

By: _____
FRANCIS M. IZUMI
Attorney at Law

FMI:vt

cc: Mr. Paul B. Noel

STATE OF HAWAII
LAND USE COMMISSION

Kahului Library
Kahului, Maui

June 28, 1969
2:30 p.m.

STAFF REPORT

A69-216 - PUAAHALA COMPANY

The petitioners are requesting that approximately 800 acres of land be rezoned into the Urban District. The subject land is substantially all of Ahupuaa of Puaahala on the south shore of the island of Molokai, approximately 11 miles east of Kaunakakai between Kamalo and Kalaeloa Harbor.

Background

At the present time the property is zoned agriculture and conservation. Approximately 90 acres at the mauka end of the subject land is in the forest reserve and zoned in the Conservation District. At the makai end of the property is Paialoa Fish Pond also in the Conservation District. According to the State Tax Maps, the area of the pond is approximately 35 acres. However, the petitioners indicate the pond area is approximately 26 acres. The remainder of the property is in the Agricultural District.

The area immediately mauka of Kamehameha V Highway, with the exception of the Aping home, is densely covered with brush and keawe trees. The upper areas are less densely vegetated except for the forest reserve area. The area is

not in any agricultural use at the present time. There are gulches on either side of the mauka property in question. The area makai of the highway containing the fish pond is low and marshy in sections.

Puaahala Company, a partnership, owns about 797 acres (formerly the Rose A. Aping property) and is affiliated with the Molokai Land Corporation. The company plans to supervise the urban development of the property as a resort destination area. Resort development is proposed on the makai side of the highway. The petitioners propose to dredge the reef for a yacht basin connecting with Kalaeloa Harbor. The dredging material will be used to fill the fish pond and the lower lands on the makai side of the highway. The area immediately mauka of the highway is proposed for single-family, multiple-family and business development. The upper slopes are proposed for large residential estate lots.

There are eight kuleanas totaling approximately 14 acres within the petitioned area.

The Land Study Bureau has rated most of the subject land either "D" or "E". Thus, it is poor for agricultural use. The lower lands in the "E" classification with irrigation could become class "A" crop lands. The lower lands along the highway and to the sea are level. The central portion

of the property is classed "B" and "C" for grazing. This area has a slope of approximately 25 percent. That portion in the gulches on either side of the property and the forest reserve area has slopes of approximately 40 percent or more.

The Department of Land & Natural Resources has included the narrow coastal area in its flood control program, and flood plain zoning has been recommended for Wawaia Gulch on the Kaunakakai side of the property. The makai lands may be subject to tsunami inundation.

Kam V Highway provides access to the property, and adequate electricity will be made available upon request. Similarly, water is available for future development. The petitioners plan to build the sewer system. The school and store are located at Ualapue about two miles to the east.

A report entitled "Puaahala Lagoon Development" submitted in support of this petition has been distributed to each Commission member. The report refers to the State General Plan as anticipating a population increase and continued pressures for accelerated economic development. Also, the 1961 State Tourist Destination study and the County of Maui General Plan indicate this general area for resort development. The report states that "East Molokai with its natural scenic appeal, suitable climate, and water availability lends itself

to higher land uses necessary to fulfill the demands of tourism. The Land Use Commission has already moved affirmatively to meet these demands by recently approving a boundary change in West Molokai. Urban development in the eastern region of Molokai, including Puaahala, would provide a balanced growth for Molokai and the County of Maui".

The applicants are aware of our proposed incremental zoning approach and have requested that the general plan for the project be approved in concept and that the first increment include the proposed development from the sea to the 1,000-foot contour consisting of approximately 393 acres. By 1971 they propose to have a 250-room hotel constructed, the marina, 50 single-family houselots, and 30 apartment units. By 1974 they propose to have 975 resort-hotel rooms, 365 houselots, and 230 apartment units completed.

County Recommendation

The Maui County Planning Commission has recommended approval of the petition on the following bases:

"1. Approximately 100 acres to be changed from Agricultural to Urban, consisting of all the lands on the makai side of the Kam Highway and extending to the mauka side approximately to an elevation of 250 feet.

2. Submerged lands being the fish pond being a part of the property which remain in Conservation District under the authority of the State Department of Land and Natural Resources. The applicant may apply to said Department of Land and Natural Resources for the dredging of the sea and the filling of the pond as may be necessary, and as approved by the State Department of Land and Natural Resources.

3. Areas up to the elevation of 1000 feet shall be programmed as future development under the incremental development program as provided in the new rules of the State Land Use Commission.

4. Areas above the 1000 foot elevation shall be in Agriculture and Conservation as presently provided for in the land use map.

5. These changes proposed and recommended for approval by the Maui Commission is in accordance with the Molokai General Plan recently adopted by the Planning Commission and pending approval by the County Council."

Analysis

The Hawaii Visitors Bureau projects a need to increase hotel rooms in the State from 20,600 available in July of 1968

to over 40,000 by 1975. Molokai has only 85 hotel rooms available at the present time. The applicants propose to construct 975 hotel rooms on the property in question or absorb five percent of the State's total need in the project area. Their estimate seems somewhat optimistic for a five-year program. Development of this project will also require employee housing. Employee housing is proposed on the west end of the island in conjunction with the Kaluakoi resort development. However, no one else has proposed construction of employee housing on the island. Employee housing will be needed on the east end of Molokai to serve this proposed development as well as other proposed resort developments on the east end.

The company has contracted to sell 80 acres--40 acres on the makai side of the road and 40 acres on the mauka side to C. R. Williams Company, Honolulu, Hawaii, Managers of the Pacific Basin Travel System, whose company is constructing a chain of hotels in the State.

A July, 1968, economic feasibility study prepared by Harris, Kerr, Forster & Company concludes that an initial increment of 200 guest rooms, plus food, beverages, and shop facilities could be supported in this general area with an overall construction cost not to exceed $18,000 per room exclusive of land with an occupancy rate of 70-80 percent.

The Land Use Commission has approved a Special Permit in March, 1967, to construct a resort at Pukoo. Another Special Permit was tentatively approved in June, 1967, for Keawanui Fish Pond approximately one-half mile east of the property in question. Neither of these have started construction, however.

Recommendation

Recognizing that the island of Molokai has the amenities for tourist development and that economic indicators support Molokai's further involvement in the tourist industry, it is reasonable to encourage resort developments in appropriate locations on the island of Molokai. As this area conforms to the State and County plans and the standards for an Urban District, the following alternatives are offered to assure that the project will be executed in a manner most beneficial to the State:

1. That the zoning request be denied and the applicants pursue the Special Permit route for the resort hotel development makai of the highway. In this manner the State and the County may impose adequate safeguards to assure that the project will be constructed substantially in accord with the petitioners' proposal. If the

project is not developed, the land will remain unchanged until a future land development plan is proposed for implementation.

2. That their general land use plan be approved in concept and that the makai portion of the project in question be rezoned to permit the developer the opportunity to complete the 250-unit hotel, marina on the makai side of the road, and employee housing on the mauka side of the road. However, rather than rezone the 390 acres up to the 1,000-foot elevation as proposed by the applicants in their first five year increment, it is suggested that the makai lands up to the 250-foot contour be rezoned involving approximately 165 acres. This would also include the filling of the fish pond as a part of the first increment. The petitioners and the Commission would agree upon the construction of a 250-room hotel, marina, restaurant, bar, yacht club, launching ramp, marine fuel dock, and 30 apartment units for low-income employees. All structures except those related to the marina be set back at least

200 feet from the shoreline. If at any time before the end of the five year period the petitioners have complied with these conditions, they may apply for another increment for development. These conditions would also be binding on any future purchaser and/or developer. Approval of the owners of the eight kuleanas must also be obtained before any rezoning is enacted.

2861

9

JOHN A. BURNS
GOVERNOR

WALTER B. QUISENBERRY, M.P.H., M.D.
DIRECTOR OF HEALTH

WILBUR S. LUMMIS, JR., M.S., M.D.
DEPUTY DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. BOX H
WAILUKU, MAUI 96793

RECEIVED
JUN 27 1969
State of Hawaii
LAND USE COMMISSION

June 26, 1969

Land Use Commission
State of Hawaii
State Capitol
Honolulu, Hawaii 96813

Re: Puahala Pukoo, Molokai Development

Gentlemen:

In as much as the proposed development above is adjacent to Class AA Coastal Water Area, we would like to strongly emphasize that serious consideration be given to the providing of ample physical space for the treatment and disposal of sewage resulting from the proposed resort.

Very truly yours,

Samuel Goo, Chief Sanitarian
Maui District

Forwarded:
F. H. TONG, M.D.
District Health Officer, Maui County

SG:fm
cc: Chief, Sanitary Engineering Branch

Haleiwa Asks For Breakwater

Special Star-Bulletin Correspondence

WAIALUA, Oahu, Oct. 20 — A breakwater and small boat harbor for Haleiwa was one of the items of business at the meeting of the Waialua Community Association Wednesday.

The list of proposed improvements was presented by Joseph Keahiolalo. It was agreed that a list of 12 items are most needed for accomplishment at an early date. A cafeteria for Waialua High School is also listed as the present cafeteria at that school is inadequate.

The improvement of Kamehameha Highway from Twin Bridges to Haleiwa Park is also one of the necessary improvements. Kamehameha Highway at this section is in many places only 18 feet wide and is so narrow that parking is not allowed on both sides of the road in Haleiwa, which is a disadvantage to the patron of stores.

A fourth item for priority should be flood control, members decided.

Mr. Keahiolalo reported that he had appointed Edward Giese chairman of a committee to secure information to be submitted to the harbor commissioners. Assisting Mr. Giese will be Naoji Kawamata, L. O. Lister and Horace Y. Oka.

Mr. Keahiolalo reported that he had appointed a special committee to work on this project consisting of Naoji Kawamata, chairman; Walter Tanabe, Harold Narimatsu, Francis Miyake and Ikuzo Sato.

Star-Bulletin
Oct. 20, 1952

2859

A66
B9

RECEIVED
JUN 27 1969
State of Hawaii
LAND USE COMMISSION

3148 Kalihi Street
Honolulu, Hawaii
June 26, 1969

Mr. C.E.S. Burns, Jr., Chairman
State Land Use Commission
Department of Planning and Economic Development
State of Hawaii
Box 2359
Honolulu, Hawaii

Dear Sir:

As a property owner in the Honouliwai district of east Molokai, a boat owner and a member of the Molokai Yacht Club, I would like to testify before your commission hearing in favor of plans to build a marina at Kamalo.

There is no question among boat owners throughout the State that a small boat harbor is very badly needed on Molokai. The question is when will the harbor be built and where should it be located. The boatowners and fishermen of Maui, Lanai and Molokai have long suffered with inadequate and unsafe mooring facilities on Molokai while other islands have been granted funds for construction and plans on numerous boat harbors. That point I am sure is not a disputed fact here. The State Harbors Division agrees and has already taken steps to build a small boat harbor adjacent to the existing pier at Kaunakakai.

The first question you should ask yourselves is how long we will have to wait before mooring facilities will be available there or anywhere on Molokai?

As a former resident of the Haleiwa area on Oahu I remember well going though this business of trying to get a State-built harbor into that community. Serious talk and plans were much in evident as far back as the early 1950's and as indicated in the enclosed clipping. State planners continued to promise this and that and the date kept being pushed back. Now here we are 20 years later and STILL we have not completed the project. As I recall we stood in 1958 in Haleiwa at the same place we stand today on the K-Kai harbor plans. If this means that we on Molokai will have to wait another 11 years to get to the point Haleiwa is now and perhaps longer to get adequate mooring facilities, then there is something wrong with the system. State planners may tell you that the KKai harbor is only a few years away, but that's what they told us for 20 years in Haleiwa. A private boat harbor at Kamalo would help relieve that waiting period and begin to encourage recreational boating and tourist development on Molokai in addition to taking the mooring space pressures off the fishing boats at KKai harbor.

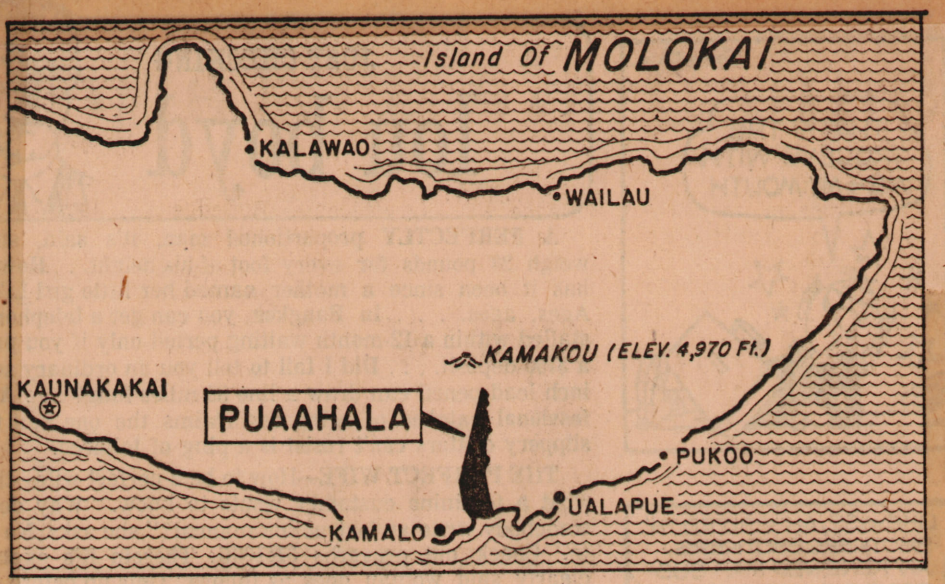
Secondly, is the site selected the best one possible, regardless of the proposed resort development?

This is a significant point, because if this marina site were being selected solely because the land owners and developers want it to complement their resorts and apartments, then I too would be against it. However, this is not the case. Several of us boating enthusiasts on Molokai -- and many from Honolulu too -- have studied the southern coastline for years and had come to the conclusion that Kamalo has the best pontential and best location for a recreation harbor long before any resorts were suggested. We find the natural channel and sheltered waters perfect for out needs. In addition, the site is ideal to provide the most pleasurable kind of cruising between the ports of Lahaina and Manele Bay. The tri-island waters are about the only place in the State where tourists could safely and comfortably enjoy inter-island waters.

I am sorry I can not be present to testify in person at your hearing. But I hope that you will consider these questions thoroughly and hopefully come to the same conclusions that I have.

Sincerely,

Toni Withington



Advertiser Map by James Takamiya

Finger on map indicates 800-acre tract proposed for urban zoning.

Advertiser 6/25/69

Hearing Set for Saturday On Molokai Resort Plans

A proposal to build a resort and residential community near Kamalo on Molokai's south coast will be given a public hearing before the State Land Use Commission Saturday in Kahului, Maui.

The commission will meet at 2:30 p.m. Saturday in the Kahului Library to consider an application by the newly formed Puaahala Co. for urban zoning of some 800 acres of Molokai agricultural and conservation district land 11 miles east of Kaunakakai.

Puaahal's master plan for 390 of those 800 acres calls for the development of 975 hotel rooms, 230 apartment units and 365 house lots, as well as commercial space, by 1974. No cost estimate has been released on the proposed project.

The Puaahala Co. is headed by Paul B. Noel of Thousand Oaks, Calif.

Puuahala's proposal also calls for dredging the offshore waters to create a marina, and using the dredged material to fill in the old Paialoa fishpond to create land for resort use.

Last month the Maui Planning Commission recommended that only 100 acres be zoned for urban use. That land lies along both sides of Kamehameha Highway up to the 250 feet elevation level.

The Planning Commission recommended that the area around the fishpond remain in the conservation district and that Puaahala apply to the State Board of Land and Natural Resources for permission to dredge the marina and fill in the fishpond.

Francis M. Izumi, former State deputy attorney general for the Land Resort, is local attorney for the developer. He said Puaahala has an agreement with the C. R. Williams Co. to sell 80 acres of the oceanfront property for development of a 250-room resort hotel.

The Williams Co. is parent firm of Pacific Basin Travel Systems Corp., a recently formed company that plans to go into resort hotel development in the Pacific area. Its first project, a 256-room hotel near Kaanapali, Maui, is scheduled to get under way in December.

However, Willis Andersen Jr., president of Pacific Basin, refused any comment yesterday either on his firm or on the proposed Puaahala plans.

PETITION CHECK LIST

PROPERTY DESCRIPTION Rose A. Aping

Name of owners Puaahala Co. T/C / Francis Izumi attorney

TMK/ acreage 5-6-05:12 47.06 | 5-6-07:5 17.63 | 5-6-07:2 .25

Total Acres 800.30 5-6-06: 2 718.69 | 5-6-05:1 16.44 | 5-6-07:4 .23

Date of purchase/ ~~subdivision~~ if recent Transfer Certificate of title #17,807

General location Puaahala - 2 miles west of Pukoo Post Office.

Present/ proposed zoning agriculture / conservation - Proposed - Urban

BACKGROUND

Existing land use
Parcels

Adjoining area idle - some grazing

Trends of change if any (~~previous LUC action in area, tax dedications~~, idle land) - Proposed "C" in boundary review - No changes - some proposals - another resort-urban dev between petition + Ualapue

Soils - Makai of Road (30 acres approx) ½ E 28 salty. ½ E 36 - class A when irrigated
- Mauka - " " Lower portion (300 acres approx) D 23 well drained; stony - small % of gulch
central (275 acres) ¼ C1 B with irrigation ⅓ D 53 steep ⅓ E 79 gulches D 2 steep good.
Forest Reserve (150 acres approx) E 78-79 - rough, broken land.

Topography Makai of Road 0-10% slope. Forest Reserve. - 40% +
Mauka over about 25%

Hazards(tsunami, floods, erosion, drainage, blast zone)
Land Makai of hgwy. is Tsunami prone. Tsunami hazard likely - Flash flooding from gulches a problem in areas of low coastal plain. A flood control program is planned for the area to include:
- Flood Plain Zoning
- Tracks of improvement in lower reaches.
- warning + evacuation procedure

Utilities (water, sewer, electricity)
a county water supply system exists - It has a capacity of twice its 1966 existing use with potential water for further development.

Access
main road bisects lower portion

Public facilities (shops, schools, fire & police protection, ~~public transportation~~) 2 miles Ualapue.

Employment opportunities - limited to whatever tourist employment is created.

Population trends/ projections - 1967 by D.P.E.D.

1965/ 5,694 1970/ 5,946 1975/ 6,429 1980/ 6,977 1985/ 7,539

Molokai Hotel Units - 123 existing as of July 1968
67 planned.

(over) Projected increase 1968 DPED - 176 to Dec 1975 for an increase of 53 - a 43.1% increase

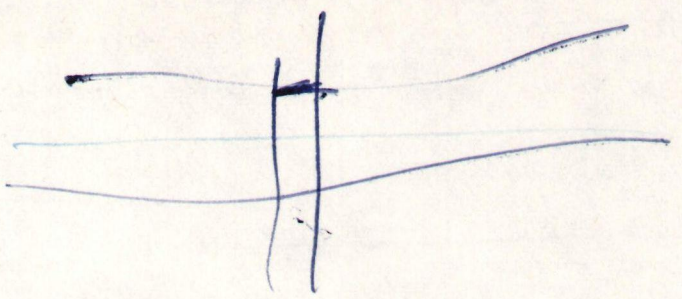
West Molokai - Proposed development plans.

6000 "Units" of all types in Phase I & II of their resort complex. These 2 phases are to be completed by 1976. - about ½ are tourist oriented ie hotels, villas -

Proposed Kawanui Hotel

350 - 400 rooms.

170 in 1st phase / see time table



June 9, 1969

Mr. Francis M. Izumi
Attorney for Petitioner
Suite 905, City Bank Bldg.
810 Richards Street
Honolulu, Hawaii 96813

Dear Mr. Izumi:

The Land Use Commission next meets on June 28, 1969 at 2:30 p.m. in the Kahului Library, Kahului, Maui. At that time, the application by Puaahala Company (A69-216) to amend the land use district boundaries at Puaahala, Molokai, will be heard.

Very truly yours,

RAMON DURAN
Executive Officer

Call Water Dept.
Maui
Hamada

276/

Elmer F. Cravalho
Mayor

PLANNING COMMISSION
Yoshikazu Matsui, Chairman
Motohisa Unemori, Vice-Chairman
Joseph Franco
G. Alan Freeland
Adrian Hussey
Kazuo Kage
Ichiro Maehara
John M. Fernandez, Ex-Officio
Koichi Hamada, Ex-Officio

COUNTY OF MAUI
PLANNING DEPARTMENT
P. O. BOX 1487
KAHULUI, MAUI, HAWAII 96732

BOARD OF ADJUSTMENT
& APPEALS
Joseph S. Medeiros, Jr., Chairman
Peter Matsuoka, Vice-Chairman
William Hong
Ralph H. Moltzau
Thomas Yagi

Robert O. Ohata, Planning Director
Howard K. Nakamura, Dep. Pl. Dir.
Eva M. Duponte, Adm. Asst.

~~ASC~~
~~295~~

RECEIVED
MAY 13 1969
State of Hawaii
LAND USE COMMISSION

May 7, 1969

Land Use Commission
State of Hawaii
426 Queen Street
Honolulu, Hawaii 96813

Gentlemen:

Re: Change in District Boundary Application from Puaahala Company, from Agricultural to Urban

The Maui Planning Commission at its meeting of May 6, 1969, voted unanimously to recommend approval of the petition by Puaahala Company on the following basis:

1. Approximately 100 acres to be changed from Agricultural to Urban, consisting of all the lands on the makai side of the Kam Highway and extending to the mauka side approximately to an elevation of 250 feet.

2. Submerged lands being the fish pond being a part of the property which remain in Conservation District under the authority of the State Department of Land and Natural Resources. The applicant may apply to said Department of Land and Natural Resources for the dredging of the sea and the filling of the pond as may be necessary, and as approved by the State Department of Land and Natural Resources.

3. Areas up to the elevation of 1000 feet shall be programmed as future development under the incremental development program as provided in the new rules of the State Land Use Commission.

4. Areas above the 1000 foot elevation shall be in Agriculture and Conservation as presently provided for in the land use map.

5. These changes proposed and recommended for approval by the Maui Commission is in accordance with the Molokai General Plan recently adopted by the Planning Commission and pending approval by the County Council.

Yours very truly,

Robert O. Ohata

ROBERT O. OHATA
Planning Director

cc: Puaahala Company

① TMK's

A+C	Rose Ayling	5-6-05 : 12	=	47.06 Ac (Pond = 35.5 Ac)
A+C	" "	5-6-06 : 2	=	718.69 "
A	" "	5-6-07 : 1 ✓	=	17.63 "
A	" "	5-6-05 : 1 ✓	=	16.44 "
A	Francis Kilbey Est	5-6-07 : 2 ✓	=	0,25 "
A	"	5-6-07 : 4 ✓	=	0,23 "
		(T =		800.30 " ±

Recheck

② (Petitioners Map) LD CT APPLIC. #278

Sec A = 179.32 Ac

Sec B = 636,20 Ac

815,52 Ac

Less Comm Aw — 31.66 Ac

783.86 Ac ±

Petition file

RECEIVED
APR 25 1969
State of Hawaii
LAND USE COMMISSION

CONSENT TO AND JOINDER IN PETITION OF PUAAHALA COMPANY FOR AMENDMENT TO LAND USE COMMISSION DISTRICT BOUNDARY

WHEREAS, the undersigned, ROSE AILEEN APING, of Honolulu, Hawaii, by virtue of Transfer Certificate of Title No. 47,039, is the owner (surviving) in fee simple of certain land on the Island of Molokai, State of Hawaii, being the Ahupuaa of Puaahala, as shown on Map 1, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 278, and being all of the land described in Transfer Certificate of Title No. 17,807 issued to Francis Alexander Kilbey; and

WHEREAS, a Petition, as amended, for Amendment to Land Use Commission District Boundary (hereinbelow more particularly described) pertaining to said land was hitherto filed with the Land Use Commission of the State of Hawaii; and

WHEREAS, the said ROSE AILEEN APING concurs with the purpose of said Petition.

NOW, THEREFORE, the said ROSE AILEEN APING does hereby CONSENT TO AND JOIN IN that certain Petition, as amended, hitherto, on the 10th day of April, 1969, filed by Paul B. Noel, for and on behalf of PUAAHALA COMPANY, a partnership, as its general partner and attorney-in-fact, to amend the land use district boundaries of all of the

lands hereinabove described from Agricultural and Conservation to Urban; provided, that this CONSENT AND JOINDER shall be without prejudice to the rights of ROSE AILEEN APING with respect to said Petition or said land, or any estate or interest therein.

IN WITNESS WHEREOF, I, ROSE AILEEN APING, have hereunto subscribed my name this 24th day of April, 1969.

Rose Aileen Aping
ROSE AILEEN APING

cc: Robert Hanta 4-29-69

273/

FRANCIS M. IZUMI
ATTORNEY AT LAW

SUITE 905, CITY BANK BLDG.
810 RICHARDS ST., HONOLULU, HAWAII 96813

TELEPHONE 537-4826

April 23, 1969

RECEIVED
APR 23 1969
State of Hawaii
LAND USE COMMISSION

Land Use Commission
State of Hawaii
State Capitol Bldg.
Honolulu, Hawaii

Amendment of Puaahala Co.'s
Petition for Amendment to Land
Use Commission District Boundary
(Ahupuaa of Puaahala, Land Ct.
Appln. 278, Island of Molokai)

OK

WHEREAS, PUAAHALA COMPANY, Petitioner herein, also owns or has an estate or interest in all of the lands identified in Exhibit "A", attached hereto and made a part hereof, said lands being exclusions under Land Court Application 278; and

WHEREAS, inasmuch as said lands form a contiguous part of Land Court Application 278 and should therefore be included in the Petition, as amended, hitherto filed by Petitioner.

NOW, THEREFORE, the Petition, as amended, hitherto filed by Petitioner is hereby further amended to include, for a land use district boundary change from agricultural and/or conservation, to urban, all of the lands identified in said Exhibit "A".

DATED, at Honolulu, Hawaii, this 23rd day of April, 1969.

PUAAHALA COMPANY,
a partnership, Petitioner
By Paul B. Noel, its general
partner and attorney in fact

By: Francis M. Izumi
FRANCIS M. IZUMI
Attorney for Petitioner

copy to Ohsta. 4-23-69

-E X H I B I T "A"-

-PARCEL FIRST:-

ALL of that certain parcel of land being a portion of Royal Patent 2980, Land Commission Award 4924, Apana 3 to Kaioha, situate in the District of Kaamola, Island of Molokai, State of Hawaii, containing an area of 16.44 acres, and commonly designated by Tax Map Key 5-6-05-1.

-PARCEL SECOND:-

ALL of that certain parcel of land being a portion of Royal Patent 2980, Land Commission Award 4924, Apana 2 to Kaioha, situate in the District of Puuahala, Island of Molokai, State of Hawaii, containing an area of 0.25 acre, and commonly designated by Tax Map Key 5-6-07-2.

-PARCEL THIRD:-

ALL of that certain parcel of land being a portion of Royal Patent 6160, Land Commission Award 4609, Apana 1 to Piapia, situate in the District of Puuahala, Island of Molokai, State of Hawaii, containing an area of 0.23 acre, and commonly designated by Tax Map Key 5-6-07-4.

SECURITY TITLE CORPORATION
TITLE INSURANCE BUILDING
125 MERCHANT STREET
HONOLULU, HAWAII 96813

State Form B14

STATE OF HAWAII

OFFICIAL RECEIPT No. 029

Department of Planning and Economic Development
Department, Bureau or Commission

April 18 1969

RECEIVED from Security First Natl Bank

— Fifty and no/100 — DOLLARS

LUC - filing fee -
Puaahala Company

$ 50.00

Esther Umeda
Public Accountant

April 14, 1969

Maui Planning Commission
P. O. Box 1487
Kahului, Maui

Attention: Mr. Robert O. Ohata, Planning Director

Gentlemen:

Pursuant to Section 98H-4, RLH 1955, as amended, and Act 32 SLH 1965, we are enclosing a copy of petition for amendment to the land use district boundaries submitted by Puaahala Company (A69-216), together with map and supporting data.

Act 32 provides that within 45 days after receipt of the petition, the Commission of the County wherein the land is located shall forward its comments and recommendations to the Land Use Commission. It also provides that upon written request by the Planning Commission, the Land Use Commission may grant an extension of not more than 15 days for the receipt of such comments and recommendations.

Very truly yours,

RAMON DURAN
Executive Officer

Encls.

April 14, 1969

Mr. Francis M. Izumi
Attorney for Puaahala Co.
Suite 905, City Bank Bldg.
810 Richards Street
Honolulu, Hawaii 96813

Dear Mr. Izumi:

This is to acknowledge the receipt of a check in the amount of $50.00 and application by Puaahala Company to amend the land use district boundaries as shown on Land Court Application #278, Ahupuaa of Puaahala, Island of Molokai.

In accordance with Section 98H-4, RLH 1955, as amended, and Act 32, SLH 1965, this Commission must schedule a public hearing on this petition no sooner than 60 days and no more than 120 days. After 45 but within 90 days following the public hearing, the Land Use Commission is obliged to render a decision on this petition.

A hearing schedule will be determined at a later date to consider the several pending petitions, including this, in the County of Maui. We will inform you of the hearing date as soon as it is determined.

Should any questions develop in the meantime, we will contact you. If you should have any questions, please feel free to contact us.

Very truly yours,

RAMON DURAN
Executive Officer

cc: Maui Planning Commission

State Form B14

STATE OF HAWAII

OFFICIAL RECEIPT No. 227

Land Use Commission

Department, Bureau or Commission

April 10 19 69

RECEIVED from Waiahole Company

Fifty & 00/100 DOLLARS

Petition for Boundary Change

$ 50.00

Don Y. Horikawa

Public Accountant

2717

FRANCIS M. IZUMI
ATTORNEY AT LAW

SUITE 905, CITY BANK BLDG.
810 RICHARDS ST., HONOLULU, HAWAII 96813

TELEPHONE 537-4826

April 11, 1969

RECEIVED
APR 11, 1969
State of Hawaii
LAND USE COMMISSION

Land Use Commission
State of Hawaii
State Capitol Bldg.
Honolulu, Hawaii

Re: Amendment of Puaahala Co.'s Petition for Amendment to Land Use Commission District Boundary (Ahupuaa of Puaahala, Land Ct. Appln. 278, Island of Molokai)

Gentlemen:

Line 5 of the first paragraph of said petition hitherto filed on April 10, 1969, is hereby amended by substituting the words "agricultural/conservation" in lieu of the word "agricultural".

It is the intent and purpose of said petition to amend all existing land use boundaries pertaining to all lands covered by Land Ct. Appln. 278.

Very truly yours,

PUAAHALA COMPANY,
a partnership

By: Paul B. Noel, its general partner and attorney in fact

By: Francis M. Izumi
FRANCIS M. IZUMI
Attorney for Puaahala Co.

Suite 905, City Bank Bldg.
810 Richards Street
Honolulu, Hawaii 96813

FRANCIS IZUMI BROUGHT IN
ONLY TWO MAPS. SAID HE IS
RELUCTANT TO FURNISH ADDITIONAL ONES.

STATE OF HAWAII
LAND USE COMMISSION

426 Queen Street
Honolulu, Hawaii

RECEIVED
APR 10 1969
State of Hawaii
LAND USE COMMISSION

This space for LUC use

Date Petition and Fee received by LUC April 10, 1969

Date forwarded to County for recommendation _____

Date Petition, and County recommendation received by LUC _____

A69-216

PETITION FOR AMENDMENT TO THE LAND USE COMMISSION DISTRICT BOUNDARY

~~X~~(WE) hereby request an amendment to the Land Use Commission District Boundary respecting the County of Maui, Island of Molokai, map number and/or name _____ to change the district designation of the following described property from its present classification in a(n) agricultural and C district into a(n) urban district.

Description of property:

The Ahupuaa of Puaahala according to survey and legal description Map 1 of Land Court Application No. 278 on file Office of Assistant Registrar of Land Court, State of Hawaii, attached.

Petitioner's interest in subject property:

Landowner (vendee upon land sale contract)

Petitioner's reason (s) for requesting boundary change:

x (See statement annexed hereto.)

(1) The petitioner will attach evidence in support of the following statement:

The subject property is needed for a use other than that for which the district in which it is located is classified.

(2) The petitioner will attach evidence in support of either of the following statements (cross out one):

(a) The land is usable and adaptable for the use it is proposed to be classified.

(b) Conditions and trends of development have so changed since adoption of the present classification, that the proposed classification is reasonable.

Signature (s) PUAAHALA COMPANY, a partnership,

By Paul B. Noel, its general partner and attorney in fact

Address: Suite 212, 60 Olsen Road
Thousand Oaks, California

Telephone: (805) 495-7474

And their attorney
Francis M. Izumi
810 Richards Street
Honolulu, Hawaii
Phone: 537-4826

STATEMENT IN SUPPORT OF PETITION

NEED FOR URBAN USE

In 1961, the State administration acknowledged the unprecedented rate of growth (following statehood) in population and economy, stemming largely from the in-flow of visitors and new residents alike. The General Plan of the State of Hawaii. The report recognized a developing trend of continued growth over the 20-year period projected. Population projections forecast a population increase by 1980 of from some 993,000 to 1.2 million, with the concomitant pressures for accelerated economic development.

The Department of Planning and Economic Development has itself, in a recent report, affirmed the major role the tourist industry has assumed in Hawaii's economy. Hawaii's Tourism Research, Date and Projections (Nov. 1968). Although recognizing the virtual impossibility of "serviceable long-range forecasts of visitor volumes and hotel inventories," the report, by its analyses of various projections and forecasts, generally concedes among other things the expectation in the immediate future of the extremely rapid growth in visitors, visitor expenditures and hotel units. The necessity of having private enterprise, with government cooperation, fill the demands occasioned thereby is obvious.

The saturation of tourist centers and facilities on the Island of Oahu has already initiated rapid development of such centers and facilities on the neighbor islands to absorb what no longer is an anticipated overflow of visitors.

The County of Maui has early focused attention on the development of Molokai and indicated as centers of future development the communities of Kaunakakai, Ualapue and Pukoo, in the eastern region of Molokai, with plans for resort facilities. Domestic Water Plan - Island of Molokai (DLNR Water Resources Report No. 3).

East Molokai, with its natural scenic appeal, suitable climate and water availability lends itself to higher land uses necessary to fulfill the demands of tourism. The Land Use Commission has already moved affirmatively to meet those demands by recently approving boundary changes in West Molokai.

Urban development in the eastern region of Molokai, including Puaahala, would provide a balanced growth for Molokai and the County of Maui. As early as February, 1960, the petitioner's property was designated as a selected resort hotel area by the Visitor Destination Area Study prepared by Belt Collins & Associates for the then Hawaii State Planning Office. The approval of this petition will be consistent with the basic intent of the State Land Use Law to put the State's land resources to their highest and best use.

USABILITY AND ADAPTABILITY FOR URBAN CLASSIFICATION

The petitioner's property is located in a coastal plain and stretches from its upper reaches within the forest reserve zone to the sea. Its topography and terrain is ideally suited for urban development, and readily affords more intensive use of areas adjoining the ocean and the government road, with uses of lesser or diminishing intensity in the mauka areas.

The configuration and location of the property, adjoining clear and calm ocean waters with protective reefs and shoals, provide an ideal setting for urban development. The property lends itself to imaginative and tasteful design techniques which will be consistent with the surrounding open-space character and charm of the area.

The property is located within a region noted for its ideal climate with an average temperature of about 75 degrees, and rainfall of about 30 inches per year.

CHANGING CONDITIONS AND TRENDS OF DEVELOPMENT

As reported above, changing conditions and economic trends with respect to the visitor industry have necessarily resulted in changing conditions and trends of development supported by appropriate land use classifications. That the Land Use Commission has recognized these changes is apparent by its recent approval of boundary changes in West Molokai.

STATE OF HAWAII
LAND USE COMMISSION

426 Queen Street
Honolulu, Hawaii

This space for LUC use

Date Petition and Fee received by LUC_____

Date forwarded to County for recommendation_____

Date Petition, and County recommendation received by LUC_____

A69-216

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Signature (s) PUAAHALA COMPANY, a partnership,

By Paul B. Noel, its general partner and attorney in fact

Address: Suite 212, 60 Olsen Road
Thousand Oaks, California

Telephone: (805) 495-7474

And their attorney
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Phone: 537-4826

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	TMK	Ac	Owner/s
①	5-6-07:9	0.06	Mary K. Mahiai - 1/3 Paul Keaka - 1/3 David Kuahuhu, Sr-Curt/Rt David Kuahuhu (Minor) Gabriel " Leroy " Bernard " Jackie " Douglas " — 1/3
②	5-6-07:8	2.91	(same as above)
③	5-6-08:18	0.44	George P. Davis & wf Beatrice L. - TE(A/S)
④	5-6-08:19	0.96	Minnie S. Louis
⑤	5-6-07:3	0.25	(same as ①)
⑥	5-6-07:5	0.46	Moses Holani Edith K. Swan Mary K. Rodrigues - T/C
⑦	5-6-05:3	7.97	Abbie Welch Est - 3/9 Elizabeth Kalahiki Est - 1/16 Rachel W. Piilihau - 1/16 Edith K. Papahinu - 1/16 Grace H. " - 1/16
⑧	5-6-05:16	0.25	(See TMK)
⑨	5-6-05:15	0.25	Josephine Mersberg (decd) - MC John K. Pereira & wf. Margaret K (J/T) - MC

(10)	5-6-05 : 14	0.08	(See TMK)
(11)	5-6-05 : 13	0.46	(Same as above)
(12)	5-6-07 : 7	0.51	(Same as (1))

Total: 14.60 Ac

Office
A69-216

PUAAHALA LAGOON DEVELOPMENT

797 ACRES, AHUPUAA OF PUAAHALA

ISLAND OF MOLOKAI, COUNTY OF MAUI
STATE OF HAWAII

FOR OWNER
PUAAHALA COMPANY, A PARTNERSHIP

BY
MOLOKAI LAND CORPORATION

JUNE 1, 1969

June 1, 1969

PUAAHALA LAGOON DEVELOPMENT

Puaahala Company, a partnership, is the owner of about 797 acres (the former Rose A. Aping property) upon the Island of Molokai, County of Maui, Hawaii. Its affiliate, Molokai Land Corporation, will plan and supervise the urban development of the property as a hotel resort destination area including residential and business uses with related amenities. The focal point for the project will be a major marina and yacht basin to serve the public - tourists and residents.

The following information is respectfully submitted in support of an application for change of land use boundary from the conservation/ agricultural designation to urban by the State Land Use Commission and the Department of Land and Natural Resources and subsequently for change of zone classification by the County of Maui Planning Commission to hotel district, single and multiple residential and business zones as are appropriate.

MOLOKAI LAND CORPORATION

By _____
Paul B. Noel, President

I

PROPERTY DESCRIPTION

The 797 acres is owned in fee, Land Court title. The property is substantially all of the Ahupuaa of Puaahala on the south shore of the east end of the Island of Molokai, upon Kamehameha V Highway, eleven miles from Kaunakakai lying between Kamalo and Keawanui natural harbors.

The parcels owned by Puaahala Company requested for change to the urban land use classification are:

Tax Key No.	Location	Acres
5-6-06-2	Mauka Forest Reserve	179.32
	2000' to 4000' elevation	539.85
	Mauka 10' to 2000' elevation	536.85
5-6-05-1	Mauka from road	8.34
5-6-05-2	Mauka from road	8.10
	Total Mauka	732.61
5-6-05-12	Makai Fish Pond	26.00
	Makai South East portion	21.06
5-6-07-1	Makai South West portion	17.63
5-6-07-2	Makai South West portion	0.25
5-6-07-4	Makai South West portion	0.23
	Total Makai	65.17

Recap:		
	Mauka	732.61
	Makai	65.17
Total Acreage		797.78

The parcel reserved by Rose A. Aping as a home parcel of three acres (to be subdivided) is a portion of 5-6-06-2 fronting the highway and she joins in the application for change to urban classification. 3.00

There are eight small unimproved parcels owned by others which are "Kuleanas" reserved originally from the Ahupuaa of Puaahala by Land Court Application No. 278, Map 1. These owners do not oppose a change to urban classification and the Commission should so change the same so that these parcels do not remain as illogical "islands" within the perimeter of the Puaahala Lagoon Project as development occurs. Puaahala Company is negotiating acquisition of undivided ownership interests in these "Kuleanas".

Tax Key No.	Location	Acres
5-6-05-3	Mauka from road	7.97
5-6-07-8	Mauka S/W corner	2.91
5-6-07-7	Makai S/W corner	0.51
~~5-6-07-6 & 66~~ LCA 3797.1	Makai S/W corner	1.00+
5-6-07-3	Makai S/W corner	0.25
5-6-07-5	Makai S/W corner	0.46
5-6-05-13	Makai S/E corner	0.46
5-6-05-14	Makai S/E corner	0.08
	Total (others)	13.64

Told by F. Izumi to ignore this section 6/17/69 B.G.

Recap Total Acreage for Change to Urban:

Puaahala Company (and Aping Home)	800.78
Kuleanas (others)	13.64
Total	814.42

The Company is aware of and subscribes to the State and County Commissions policy of "incremental change of classification and zone", and therefore requests the State Land Use Commission action to be:

(1) Approve the concept of the total project area to the urban classification, being 814.42 acres, more or less, and being all of the lands covered by Land Court Application No. 278, Map 1; and

(2) Approve a change of classification to urban for the first area of incremental development from the sea to the 1000' contour level (to be developed within three to five years) consisting of 67.93 acres makai and about 325 acres mauka for a total of about 393 acres.

II

NEED FOR URBAN USE

(1) In 1961, the State administration acknowledged the unprecedented rate of growth (following statehood) in population and economy, stemming largely from the in-flow of visitors and new residents alike. The General Plan of the State of Hawaii. The report recognized a developing trend of continued growth over the 20-year period projected. Population projections forecast a population increase by 1980 of from some 993,000 to 1.2 million, with the concomitant pressures for accelerated economic development.

The Department of Planning and Economic Development has itself, in a recent report, affirmed the major role the tourist industry has assumed in Hawaii's economy. Hawaii's Tourism Research, Date and Projections (Nov. 1968). Although recognizing the virtual impossibility of "serviceable long-range forecasts of visitor volumes and hotel inventories," the report, by its analyses of various projections and forecasts, generally concedes among other things the expectation in the immediate future of the extremely rapid growth in visitors, visitor expenditures and hotel units. The necessity of having private enterprise, with government cooperation, fill the demands occasioned thereby is obvious.

The saturation of tourist centers and facilities on the Island of Oahu has already initiated rapid development of such centers and facilities on the neighbor islands to absorb what no longer is an anticipated overflow of visitors.

(2) The County of Maui has early focused attention on the development of Molokai and indicated as centers of future development the communities of Kaunakakai, Keawanui, Ualapue and Pukoo, in the eastern region of Molokai, with plans for resort facilities. Domestic Water Plan - Island of Molokai (DLNR Water Resources Report No. 3).

East Molokai, with its natural scenic appeal, suitable climate and water availability lends itself to higher land uses necessary to fulfill the demands of tourism. The Land Use Commission has already moved affirmatively to meet those demands by recently approving boundary changes in West Molokai.

Urban development in the eastern region of Molokai, including Puaahala, would provide a balanced growth for Molokai and the County of Maui. As early as February, 1960, the Company's property was designated as a selected resort hotel area by the Visitor Destination Area Study prepared by Belt Collins & Associates for the then Hawaii State Planning Office.

(3) No hotel facility presently exists on the Island of Molokai of a size sufficient to accommodate normal tour groups and the increased visitors to the Island. Molokai has only 85 hotel rooms available; Molokai Hotel 52, Seaside Inn 33. The Hawaii Visitors Bureau long-range planning committee projects a need for the State to increase hotel rooms from 20,604 available in July 1968, to over 40,000 by 1975. A major share of the required rooms are needed upon the outer islands including Molokai.

(4) In excess of 200 families, long-term residents, reside on the south shore easterly of Kamalo and beyond Pukoo. The commencement of this project will trigger the desired growth and economic and employment base needed for the existing and future residents to live, work and play within an ideal environment. The multiplicity of small lot and landowners on the east end of the Island will now have the opportunity to participate in and share in the benefits of growth.

(5) The complete lack of present facilities demonstrates the clear need for the immediate subdivision of lots and the construction of single family dwellings and apartments to house the hotel employees and the increased residents which will follow generated by new jobs and support services.

(6) The approval of the Puaahala Lagoon Project by a change to the urban classification will be in conformity with the primary purpose of the State Land Use Law to put the State's land resources to their highest and best use.

EAGLE-A
TYPE-ERASE
25% COTTON FIBER USA

III

CHANGING CONDITIONS AND TRENDS OF DEVELOPMENT

(1) The changing conditions and economic trends have been recognized by the Land Use Commission by its recent approval of urban boundary changes in west Molokai.

(2) In April 1969, the Bishop Estate entered into a 75 year urban development lease with the lessees, Unitours Inc., and James Richmond, and such lessees are to embark upon a first phase of hotel development by 1970 in the Keawanui area, being across Kalaeloa Harbor from this project.

(3) The Maui County Council and Planning Commission as of May 1969, adopted a Molokai master plan which recommends the Company property to be used for hotel - residential urban development.

(4) The Company has contracted to sell 80 acres (40 acres makai and 40 acres mauka) to C. R. Williams Company, Honolulu, managers of the Pacific Basin Travel System. The Pacific Basin company is constructing a chain of hotels within the State.

Immediately upon zoning approvals and Department of Land and Natural Resources consent to marina development, Pacific Basin will build a first increment of 250 hotel rooms.

IV

USABILITY AND ADAPTABILITY FOR URBAN USE

(1) The property has a half a mile of shoreline upon a leeward coastal plain stretching from spectacular summits within the forest reserve zone to the sea. Its topography and terrain are ideally suited for urban development, and readily affords more intensive use of areas adjoining the ocean and the Government Road with uses of diminishing density in the mauka areas, much of which will be preserved as open space recreational area.

(2) The property is not adaptable to any significant agricultural use and has been idle and unimproved for the past several years.

(3) Fronting the parcel is the Company's fish pond which will be filled as a disposal area incidental to the excavation for the marina yacht basin, thereby creating about one-half mile of excellent public beach area upon clear, shallow water. The pond is now a waste area - a mud hole to be filled so that the public can gain proper access to the sea. The Company is informed that the Molokai Chamber of Commerce and its Historical Committee place no value whatsoever upon this mud hole and are not opposed to its fill. The logs of test borings made within the fish pond area by Nat Whiton Drilling Co., Inc., indicate that except for the immediate layer of about one and a half feet of mud, the existing substrata conditions show well compacted formations and have favorable load bearing capacities to support fill material and for the construction of planned low-rise hotel resort development. The initial 250 room hotel by Pacific Basin will be constructed within this area.

(4) An adequate water supply and all necessary utilities are available for project development which will be performed in accordance with the ordinances, regulations, standards and specifications of the County of Maui. The Company is requiring all electrical facilities to be installed underground; and it will participate in a community sanitary system.

(5) Mr. James Richmond, lessee upon the adjoining Bishop Estate Keawanui development, has kindly made available for Commission Staff consideration copies of a Harris, Kerr, Forster & Company "Report on Study of Market Demand for Proposed Keawanui Hotel, Molokai", July, 1968, and "Appraisal Report", October 28, 1968, by Don R. Cowell, M.A.I., and substantially all of the facts therein equally support the feasibility and need for the Puaahala Lagoon Project within the sphere of urban development in the Keawanui region.

(6) The project is located within a region noted for its ideal climate with an average temperature of about 75°, and rainfall of about 30 inches per year.

(7) A unique shoreline attribute is that the project's half mile of shoreline fronts upon a "lagoon" which is a shoal area of about one fathom bordered by the reef one-half mile off shore and by Kamalo and Kalaeloa Harbors on either side. Kalaeloa Harbor is a natural deep water harbor, the inevitable development of which along with Kamalo Harbor will contribute greatly to the economic and community growth of the east end of the Island. The lagoon will be an excellent water sports recreation area for tourism and the resident population. There are few safe, shallow, clear water beach areas to be improved and preserved around the shoreline of the Island of Molokai and it is deemed fortunate that this project can contribute to developing and preserving this water recreational asset within the State.

(8) The developer will dredge a fifteen-foot deep small boat harbor from the southeasterly makai corner of the property for a distance of about 1600' to connect up with Kalaeloa Harbor and the ocean. A large yacht basin will be created capable of easily containing in excess of 200 boat slips with the usual marina facility installed upon a phase basis as need arises. Project engineer upon this phase of development is Wilson/Okamoto & Associates, Honolulu.

Paul Noel
build certain things
Commit certain land uses to certain areas
by Oct — excavate marina
25 to 30 units Dpts on east end
1/2 acres lots
all by end of year

500' el. — treatment plant

V

DEVELOPMENT TIMETABLE

The preliminary general land use plan for the Puaahala Lagoon Project prepared for the developer by Valcon, Inc., Engineers, is attached. This concept of development will be implemented by specific engineering and construction after the necessary State and County land use permissions are given, and actual construction will commence by year end and be continously pursued thereafter to ultimate development in accordance with the following project timetable:

FIVE YEAR PROJECTION

Year		Acres	Density	Use
1970	-	9	250 rooms	Hotel
		3		Marina; Restaurant-Bar; Yacht Club; Launching Ramp; Marine Fuel Dock
		40	50 lots — houses?	Single Family Custom Lots
		2	30 units	Apartments
1971	-	14	425 rooms	Hotel
		5		Business
		75	100 lots — houses?	Single Family Custom Lots
1972	-	2		Marina; Restaurant
		20	80 units	Resort-Cottage Condominium
		5	60 units	Apartments
		60	90 lots — houses?	Single Family Custom Lots
1973	-	10	300 rooms	Hotel
		5		Business
		55	40 lots — houses?	Single Family Custom Lots
1974	-	15	60 units	Resort-Cottage Condominium
		70	85 lots — ditto?	Single Family Custom Lots

Total 390 acres

975 rooms — 1115
365 lots — houses?
230 units

PBLC

Excerpted from MOLOKAI LAGOON, prepared for Pacific Basin Land Corp. by
Belt, Collins & Associates
Dated March, 1970

MAKAI DEVELOPMENT (Resort-Hotel and Hotel/Condominium Area)

General. Only on-site improvements have been considered for this study. Off-site improvements and sewer and water systems are discussed later in a general manner.

Lagoon. A salt water lagoon with white sand beaches would be constructed in the configuration shown on Plates II and IV. The lagoon would be some 7 feet deep at its deepest point and comprise an area of about 5.8 acres. The lagoon water surface would fluctuate with the tide, usually a maximum of 2' between high and low tides. Adequate circulation to maintain good swimming characteristics would require pumping from the ocean into the lagoon.

Roads and Utilities. The access roads serving Lots 1 through 6 would be private and constructed to Maui County standards. The proposed road connecting the marina development and Kam V will be dedicated as a public road.

Water, electrical, telephone and television systems for the hotel area would be installed underground within the access road right-of-way.

Storm Drainage. During the early stages of construction, but not necessarily the initial stage, a grass-lined cut-off ditch would have to be constructed to divert the below highway storm runoff along the highway to the east to be discharged into a major storm drainage system, as proposed by a preliminary master plan study. The cut-off ditch would be required to prevent the possibility of flooding within the hotel lots and to prevent accumulation of silts and mud in the lagoon. Ultimately the above highway storm drainage system would discharge into the same cut-off ditch.

MAUKA DEVELOPMENT
(Vacation Home Area)

Roads and Utilities. One main road loops through the site serving all lots and would have a 60-foot right of way and a 42-foot pavement with curbs and gutters. The road would contain the water distribution main, all underground electrical, telephone, and television systems, and a storm drainage system including catch basins and storm drainage culverts. The County has indicated that the requirement for sidewalks along the main road may be waived. The storm drain system should be capable of collecting and transporting storm runoff from the entire above highway area except for that land area which lies between the road and the highway. All access drives and utilities within the individual lots would be privately owned and would be developed to established standards for the project.

Drainage. A concrete or cement rubble masonry-lined cutoff ditch above the 80-acre site will be required to divert storm water runoff to the gulch east of the site. The ditch would probably be located just above the property limits of the upper 40-acre parcel. On-site drainage will consist principally of the road drain system as mentioned above. All on-site runoff would be discharged into the cut-off ditch just below and paralleling the highway.

OFF-SITE DEVELOPMENT

Sewerage. Although this study is concerned only with the on-site engineering considerations, consideration of the general sewer system requirements is necessary.

The developers of each hotel or condominium site are expected to provide their own sewage treatment facilities in accordance with design and operational standards established by Pacific Basin Land Corp. Disposal of effluent from the plant would be discharged into deep-wells provided by each site developer.

It is expected that the hillside can be adequately served with small group package treatment units such as the "Cavitette," or similar.

Since water for construction purposes will probably be developed from ground water sources within the mauka area, at least during the initial development stages, and since the steep slopes may prohibit satisfactory leaching field sites within the above-highway sites, the Department



of Health may require a complete collection system and treatment at a central plant.

Water System. The existing Maui County water system is inadequate for the development of even the first hotel site. Construction in accordance with the existing plans of the Maui County Department of Water Supply for expansion of the existing Kamalo-Ualapue system would not allow completion until 1975; however, it is contemplated that funds will be released from the 1970 State Legislative session to allow for earlier construction in order to meet the demands required in the resort-hotel and hotel/condominium area. If this earlier construction does not take place, then initial development is expected to be served by a new deep-well above the highway located near the large gulch to the northeast of the resort sites. The well is expected to adequately serve domestic and irrigation requirements for two hotels and some residential development. The maximum expected pumping rate (safe yield) of this well for domestic purposes is expected to be about 200 to 300 gpm. As the County system becomes functional or other water is developed for the area, this initial well is expected to be used only for irrigation purposes. The well safe yield for irrigation purposes will be 10 to 50 percent higher than for domestic requirements.

Recognizing the inherent natural beauty of the southeastern coastline of the Island of Molokai and of the Molokai Lagoon area, the following minimum design requirements and development standards are recommended to promote the very highest quality construction and development within the resort community that would be harmonious and compatible with the natural beauty of the area. Further, it is recommended that an architectural review board be established to review, guide and control all development, including initial construction and major repair of buildings, structures, landscape, and other site work and improvements to both insure and enhance the preservation of the natural beauty and character of the area and the high quality design concepts as expressed within this plan.

UTILITIES

1. All power, telephone and service utilities should be installed underground and within street right-of-ways where practical.

2. Roof top television and radio antenna should be prohibited. Such equipment should be installed within attics or as part of a CATV or main antenna system.

3. All water and sewerage system facilities and their appurtenances installed above ground should be painted with an approved, harmonious color; and screened by fences and landscaping from public view.

PARKING

1. In the hillside vacation home area, common parking areas should be encouraged with each parking site screened by carports and trellis-like structures heavily planted with vines such as bougainvillea. All covered parking structures should be architecturally integrated into the total site development. In addition, parking under dwellings situated on downhill slopes should be encouraged.

2. In the hotel complex, parking areas for hotels and related uses should be screened with appropriate plant material and the use of earth berms around the perimeter of the lots should be encouraged. In more level areas, low canopy trees should be integrated into the parking area to screen cars from interior or hillside views.

EXTERIOR LIGHTING

1. A common theme for exterior street and landscape lighting should be adopted for the entire leisure-resort area. Gas tiki torches would be appropriate in the resort-hotel complex, particularly around the lagoon water feature and along the ocean frontage. A common theme or design should be adopted for exterior light standards and fixtures.

2. Principal streets should have a common street lighting fixture throughout the entire project with subtle, low key lighting.

FENCES

1. Fences adjacent to or a part of residential and commercial structures should be an integral part of the architecture with respect to design, material and color.

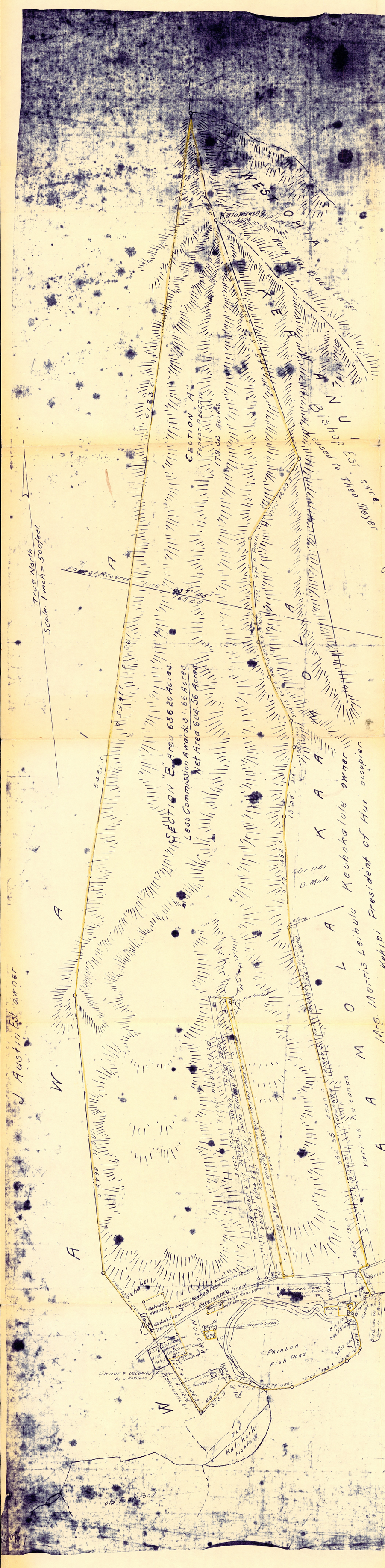
2. Service areas for hotels and commercial establishments should be screened with appropriate fencing or hedges.

3. Height limitations on fences should be imposed where the construction of a fence might interfere with the view zones of adjacent dwellings or visitor units.

OCEAN-FRONT BUILDING SETBACK

1. A building setback line should be established paralleling the property line of the hotel site fronting the ocean to extend into the property some 30 to 35 feet. No portion of any building or structure constructed on the site could extend beyond the setback line, to insure visual and physical access along the property line fronting the ocean. This area would also provide for appropriate landscaping between the hotel and the beach.

2. Landscaped plantings within the building setback area should be limited to shrubs which have mature heights of not over three feet. The coconut palm should be the predominate tree within the setback area.


WEST OHIA
Kalapawai
Elv. 1004
Mong Wall Bound On East
Bishop Est. owned & leased to Thos Meyer
SECTION "A"
FOREST RESERVE
179.32 Acres.
Forest Reserve Line
687° 45'
68.20
Scale 1 inch = 500 feet
True North
Area 636.20 Acres.
Less Commission Awards 31.66 Acres.
Net Area 604.56 Acres.
SECTION "B"
Less Commission Awards 1.66 Acres.
Net Area 1.66 Acres.
Ohianui
Kaloleloa
Kaloleloa Owner
Geo Kekipi
Mrs. Morris Leihulu
Kaloleloa Owner
J. Austin Est. owner
Kaloleloa Owner
Various Owners
Kuleanas
Kaloleloa Owner
Kaloleloa Owner
Kaloleloa Owner

Office
A69-216

PHASE II

REPORT ON STUDY

OF ECONOMIC FEASIBILITY OF

PROPOSED KEAWANUI HOTEL

ISLAND OF MOLOKAI, HAWAII

SEPTEMBER, 1968

HARRIS, KERR, FORSTER & COMPANY
ACCOUNTANTS AND AUDITORS

ROBERT CISCO
GEORGE E. LIPP

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HONOLULU, HAWAII 96814
TELEPHONE 941-6661
CABLE "HARKERFOR HONOLULU"

ATLANTA, GA.
BOSTON, MASS.
CHICAGO, ILL.
DENVER, COLO.
HOUSTON, TEXAS
LOS ANGELES, CALIF.
MEMPHIS, TENN.
NEW ORLEANS, LA.
NEW YORK, N. Y.
PHILADELPHIA, PA.
SAN FRANCISCO, CALIF.
SAN JUAN, P.R.
WASHINGTON, D.C.

September 10, 1968

Mr. James E. Richmond
305 Royal Hawaiian Avenue, Suite 301
Honolulu, Hawaii

Dear Mr. Richmond:

Pursuant to your authorization, we have completed our study of the indicated market for and the economic feasibility of a proposed 168-room hotel to be constructed on the southeast shore of the Island of Molokai, Hawaii.

The entire study and conclusions reached are based on our present knowledge with respect to market demand and presently available hotel accommodations on the neighbor islands of the State of Hawaii.

The estimated operating results shown in this report are for a typical twelve month year, assuming the attainment of the estimated occupancy and average daily rate. Obviously, as in all studies of this type, the estimated results are based on competent and efficient management, a continuation of the existing level of the economy, and presume no significant change in the competitive position of the tourist industry in the State of Hawaii.

During the first year at least, and possibly extending into the second year, the net operating results will not necessarily reach the estimated average annual goal. The reason for this is that during the initial periods, the operation will be required to absorb

preopening advertising and promotional activities expenses, employee training and other expenses of a nonrecurring nature.

This report and the related statements of income and expenses have been prepared primarily for the use and guidance of interested parties in determining the feasibility of the project and for possible use in primary mortgage financing. As is customary in assignments of this nature, neither our name or the material submitted herein shall be included in any prospectus, newspaper publicity, as a part of any printed material or used as offerings or representations in connection with the sale of securities or participation interests to the general public.

We would be pleased to have you advise us if we can answer questions, be of further assistance either in the interpretations and applications of our findings and opinions, or in further development of this project. We express our appreciation to you for the cooperation extended to us during the study and preparation of this report.

Yours very truly,

Harris, Kerr, Forster & Company

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SECTION I

DESCRIPTION OF PROPOSED PROJECT

SECTION I

DESCRIPTION OF PROPOSED PROJECT

Site Location

The proposed hotel would be located at Keawanui on the Island of Molokai, the fifth largest island in the State of Hawaii (see map on page 7). Molokai is located north of Lanai, 7-1/2 miles northwest of Maui and 25 miles east of Oahu. The City of Honolulu, the center of population and commerce in Hawaii, is located on the Island of Oahu. The island is approximately 30 miles long and 10 miles wide, having an overall area of 260 square miles.

Keawanui is on the southeastern coast of the island approximately 19 miles from the Molokai Airport. Presently, the general area is sparsely populated with a few residences and churches representing the only development. Scenery from the beachside site is excellent with rugged mountains rising sharply behind the site and a view of the Islands of Maui and Lanai across the channel. The proposed site contains 370,000 square feet which is approximately 8-1/2 acres.

The location of the site is in an area which is planned for extensive resort development. On page 6 is an illustration of the proposed master plan of development for the area showing the site of the Keawanui Hotel in relation to other planned developments.

Proposed Facilities

It is proposed that the Keawanui Hotel be of low-rise construction with the design taking advantage of the island's Hawaiian atmosphere. Under the preliminary plan of

development, the hotel would be constructed in three phases, as follows:

Phase	Guest Rooms
I	168
II	44
III	120
Total	332

The arrangement of buildings could conceivably be altered to accommodate 350-400 guest rooms without overcrowding the proposed site. In addition to hotel rooms, adequate food and beverage facilities would be included in relationship to the number of available rooms. In addition, commercial shop areas would be provided on the hotel grounds. Various other commercial areas are proposed as the development of the general area progresses as reflected on page 6. The entire project is to be located on property which is under option to purchase on a fee simple ownership basis.

Hotel Operator

As was discussed in Phase I, the market demand portion of our study, the Island of Molokai has largely been overlooked as a tourist destination area. Although we feel that there is a market for a destination area of substantial magnitude on the Island of Molokai which can compete favorably with the other Neighbor Islands, we feel that attainment of the indicated occupancy and rates set forth in this report depend very heavily upon affiliation with a well-established operator.

In a recent visitor survey conducted by the Hawaii Visitors Bureau, as we discussed in Phase I, 65 per cent of surveyed visitors use a travel agent in making arrangements for transportation and/or accommodations. Of those respondents to the questionnaire who visited the Neighbor Islands, 72 per cent made their trip arrangements

on the mainland before leaving for Hawaii. As is strongly indicated here, an operator with mainland travel connections must be obtained in order to overcome the problems resulting from the relative remoteness of the area to be developed.

Construction Cost Data

At the present time, preliminary plans and cost estimates for the building are not available. In Phase I, the market demand study, we concluded that overall cost of construction and furniture and equipment should fall within the range of $14,000 to $18,000 a room exclusive of land. Using the maximum amount in this range, the costs of constructing and furnishing the initial 168-room increment of the building is estimated as follows:

Building	
Construction costs	$2,170,000
Architect's fees	130,000
Financing costs, interest and real property taxes during construction and other iterim costs	220,000
Total Building	$2,520,000
Furniture and Equipment	
Guest rooms, restaurant and bar and commercial areas	504,000
Total Costs	$3,024,000
Rounded to	$3,000,000

For purposes of our report, we have assumed a value of $2.00 per square foot for the 370,000 square foot site, resulting in a valuation for the land of $740,000. On this basis, the overall cost of the project would be as follows:

	Estimated Cost	Estimated Cost Per Room	Per Cent
Building	$2,520,000	$15,000	67.0%
Furniture and Equipment	504,000	3,000	13.4
Land	740,000	4,000	19.6
Totals	$3,764,000	$22,400	100.0%

Presuming an ultimate total of roundly 350 rooms on the proposed site, the estimated cost of land per room would be reduced to roundly $2,100.

Financing Needs and Plans

Present planning would include the land for equity purposes with 100% financing for the building. The following summary illustrates the amount of equity capital necessary to finance the project:

Construction Costs - Rounded off	$2,500,000
Furniture and Equipment	500,000
Land	740,000
Working Capital and Preopening Expenses	100,000
Total Requirements	$3,840,000
Assumed Mortgage Financing	3,000,000
Equity Requirements	$ 840,000

Equity requirements would be provided as follows:

Land	$ 740,000
Cash	100,000
Total	$ 840,000

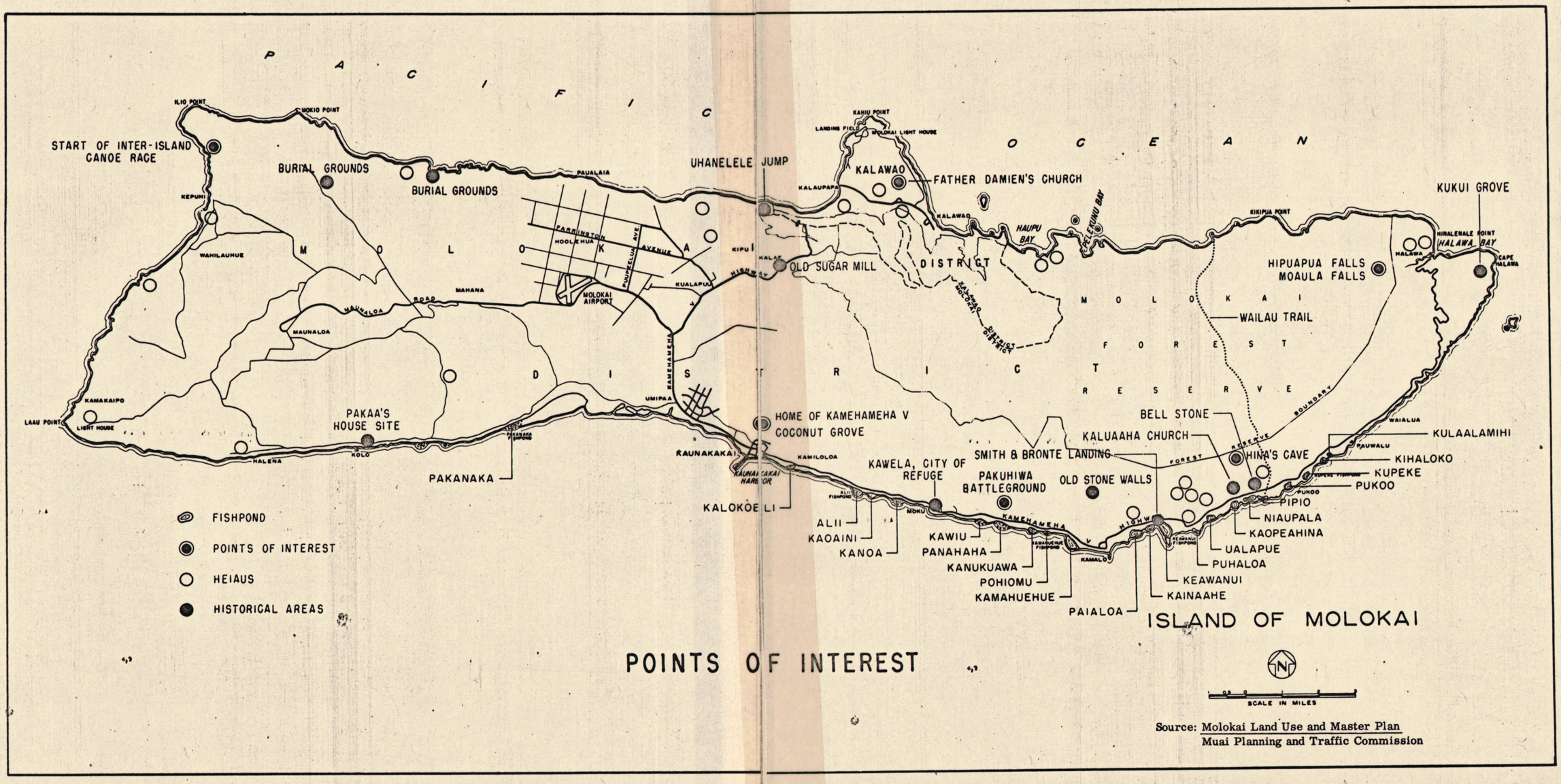
Our assumptions relative to the mortgage set forth in this section are as follows:

Assumed Mortgage Financing	$3,000,000
Term	25 Years
Interest Rate	8%
How Payable	Monthly
Annual Debt Service	$ 277,800

The assumed mortgage financing represents a larger percentage of the project cost than would ordinarily be anticipated. We have presented this mortgage level to reflect that such an amount can be adequately serviced from the estimated cash flow of the operation as reflected on page 18. The maximum long-term mortgage loan that might be anticipated without additional security or guarantees would be as follows:

Construction Costs and Land	$3,240,000
Mortgage Percent	70%
Assumed Mortgage Financing	$2,250,000

Additional financing for a period of five to ten years might also be obtained for purchase of furniture and equipment.



POINTS OF INTEREST

Source: Molokai Land Use and Master Plan
Muai Planning and Traffic Commission

SECTION II

SUMMARY OF CONCLUSIONS

SECTION II

SUMMARY OF CONCLUSIONS

The proposed Keawanui Hotel on the southeastern shore of the Island of Molokai is well situated in an area which is suited for resort development.

Expected Occupancy Percentage

The Neighbor Islands currently account for approximately 30% of the visitor days spent in the Hawaiian Islands. Visitors to the Neighbor Islands during the ten year period from 1958 through 1967 increased dramatically – up roundly 780%. During the last five years, visitors to the Island of Maui, which is in the same county as the Island of Molokai, rose over twice as rapidly as the Neighbor Islands as a group. During the first six months of 1968, 80% of visitors to Hawaii traveled to the Neighbor Islands. There is every indication that tourism will continue to grow faster on the Neighbor Islands than on Oahu. The following tabulation indicates the number of additional rooms that may be required on the Neighbor Islands from 1968 to 1971 and from 1971 to 1975:

	1968	1971	1975
Neighbor Island visitors	850,000	1,350,000	2,000,000
Rooms available or required in Hawaii	21,800	33,400	49,600
Rooms available or required on Neighbor Islands	6,000	11,100	18,500
Additional rooms required during period		5,800	7,400

Our general conclusions with respect to market demand indicate that occupancy of 75% could be realized by the proposed 168-room Keawanui Hotel. For financial comparison purposes, we have presented in the Appendix occupancy levels 5% above and

below the indicated level. Factors contributing to our conclusion include the numerical increase of visitors to the Neighbor Islands coupled with the traditional Hawaiian atmosphere.

As we have previously discussed, an operator with mainland travel industry connections is essential for attainment of the indicated occupancy.

Average Daily Rate Per Occupied Room

The other material factor to consider in an evaluation of market is the average daily rate which may be realized from the rental of guest rooms. Based on our analysis of the factors affecting the daily rate on the Neighbor Islands, it is our opinion that the Keawanui Hotel will realize an average daily rate of $18.00 per occupied room. In addition to those factors which also affect occupancy, the room rate is dependent upon competition, location and the general character of the hotel. These factors are discussed in Phase I, the market demand study, and in Section III of this report.

We believe that although higher rates will be experienced during the peak seasons, competition in the Neighbor Islands will be such that an average room rate of $18.00 per day is realistic. In the Appendix, we have also used daily room rates of $16.00 and $20.00 per day for comparative purposes.

Annual Net Income and Cash Flow

Based on our conclusions with respect to occupancy and room rate, the proposed hotel would realize estimated average annual net income for the first ten years of operations of $80,000 a year. During this period, the average annual cash return equals $89,000 a year or 10.6% on equity invested.

SECTION III

EVALUATION OF PROPOSED PROJECT

SECTION III

EVALUATION OF PROPOSED PROJECT

Suitability of Site

The site of the proposed Keawanui Hotel, on the southeastern shore of the Island of Molokai, is ideal for the development of a tourist-destination area. There are a number of suitable hotel sites in the area which can be developed. The site is well-located as it relates to the areas of sightseeing interest on the island. As a portion of the general development planned for the area as reflected on page 6, the beach areas must be dredged and developed into suitable swimming areas.

Molokai lies in close promimity to the Island of Oahu and is easily accessible via two airlines and four air taxis. There is also adequate ground transportation, including two U-drive agencies, taxi service and guided tours. The traditional Hawaiian atmosphere of the island adds to its potential appeal.

The Neighbor Islands continue to grow in desirability as related to visitor appeal. Throughout our reports, we have discussed the anticipated continuity of this well-established trend.

Adequacy of Demand

Projected visitor arrivals to Hawaii, as outlined in Phase I of our study, indicate that a substantial number of additional rooms will be required in the Neighbor Islands during the next several years. Hotel projects under construction and contemplated will not be sufficient to fully absorb the demand created by the increasing number of visitors.

Based on our analysis of the demand, it appears that occupancy of 75% can be realized by the proposed hotel. This occupancy compares with an indicated occupancy during 1967 of 86% for the state and actual occupancy of 73% for Neighbor Island hotels. Information available to us indicates that the larger, full-service Neighbor Island hotels enjoy a greater average occupancy than the smaller hotels.

Projected Average Room Rate

During the early stages of resort development at least, hotel facilities on Molokai will have a competitive disadvantage relative to the other Neighbor Islands, which already have established destination areas. The competition for guests affects the average room rate to a greater extent than occupancy.

Our review of the intent relative to the type of development and our inspection of the site indicates that the proposed hotel will be comparable with other first-class resort hotels in the Neighbor Islands.

It is our opinion that the proposed hotel will be able to obtain an average daily rate per occupied room of $18.00.

Preliminary Estimates of Income and Expenses

We have prepared estimated statements of operating results on an annual basis for the proposed Keawanui Hotel. These estimates are presented in exhibits and schedules appended to this report as follows:

Exhibit A	Statement of Estimated Income and Expenses
Schedule A-1	Estimated Income and Expenses of Rooms Department
Schedule A-2	Estimated Income and Expenses of Food and Beverage Departments

It should be borne in mind that these estimates represent our best judgement as to what a hotel of the type and style discussed in the foregoing sections would earn under an efficient management and with the prescribed occupancies and rates.

As will be discussed in the subsequent paragraphs of this section, the estimates shown for the various classifications of income and expenses have been derived from the experience of a group of hotels in the Neighbor Islands of which we have knowledge and from our general knowledge of the hotel industry. The average room rate and range of occupancies appear to us to be reasonable of attainment.

As is the case in all estimates of this sort, we are not in a position to guaranty the results nor is any warranty intended that they can be achieved. However, they are set forth to portray an average year's results after the hotel has been in operation for a reasonable period of time. It is quite likely that the operating results in the early years would vary from the estimates until the business has been developed to an appropriate level and, at the same time, the expenses are shaken down to a normal operating level.

In the following paragraphs, we discuss the detailed computations which are included in the estimates.

Statement of Estimated Income and Expenses

This statement, Exhibit A, sets forth the estimated annual results of operation of the 168-room hotel. Reflected on the statements are the estimates of profit before interest, depreciation and taxes on income at the various levels of rates and occupancies, as follows:

Rooms Occupancy	Average Daily Rate per Occupied Room	Estimated Profit before Interest, Depreciation and Taxes on Income
70%	$16.00	$274,300
75	16.00	322,000
80	16.00	372,100
70%	$18.00	$333,900
75	18.00	386,900
80	18.00	443,000
70%	$20.00	$393,800
75	20.00	452,600
80	20.00	514,600

The assumptions upon which the statement and schedules are predicated are discussed in the following text.

Rooms Department

The estimates of guest rooms revenue have been made on the basis of average daily rates of $16.00, $18.00 and $20.00 per occupied room and occupancies of 70%, 75% and 80% of the proposed 168 rooms.

Estimated guest room sales under the varying levels of occupancy and at the average rates previously stated are set forth in Schedule A–1. These estimated guest room sales are summarized as follows:

Rooms Occupancy	Average Rate	Guest Room Sales
70%	$16.00	$686,800
75	16.00	735,800
80	16.00	784,900
70%	$18.00	$772,600
75	18.00	827,800
80	18.00	883,000
70%	$20.00	$858,500
75	20.00	919,800
80	20.00	981,100

In estimating rooms department expense, we have been guided by the experience of similar hotels, knowledge of the current pay rates in Hawaii and the knowledge at hand of the operating ratios of the various other departmental expenses. The expenses are outlined in Schedule A-1 which gives effect to the proposed number of rooms at the varying rates and occupancy levels.

Room department profit after direct expenses varies from $442,300 to $670,100 per annum at the various occupancies as shown in Schedule A-1.

Food and Beverage Departments

In estimating food and beverage sales we have given consideration to the relationship of food and beverage business to room sales which is generally the case in Neighbor Island Hotels, together with the estimated space to be made available for this service and the type of service to be provided. Food and beverage sales thus estimated range from $753,600 per annum to $875,600 per annum at the varying levels of room rates and occupancies.

Cost of food and beverages sold has been based on a comparative study of the experience of other hotels in the outer islands. Cost of food sold, after credit for employees' meals, has been estimated at 36% of food sales, while cost of beverages sold has been estimated at 25% of beverage sales. These percentages are the cost levels ordinarily experienced in an operation presumed to be efficient in the purchasing and handling of food and beverages and exercising adequate controls over usage.

Direct departmental expenses in connection with food and beverage operations have been approximated on a basis representative of normal expenditures at the stated volume of sales. The estimated departmental profit after direct expenses ranges from $147,100 per annum to $191,800 per annum under the various volume estimates related to estimated room patronage.

Telephone Department

Estimates of telephone sales and departmental wages and expenses have been computed upon the historical experience of similar operations in the Neighbor Islands.

Other Departmental Profits and Other Income

In addition to the principal operated departments, we have included departmental profits of minor hotel functions and other income approximated in an amount which would result from the operation by the hotel of such departments as a valet shop or travel desk and such items as commissions from concessions, discount on purchases and other miscellaneous income.

Deductions from Income

The "Uniform System of Accounts for Hotels", recommended by the American Hotel-Motel Association and in general use throughout the industry, has been used in the classification of income and expenses in this report. In conforming with this system and account classification, only direct operating expenses are charged to operating departments of the hotel. The general overhead items which are applicable to operations as a whole are classified and deducted from income and included administrative and general expenses; management fees; advertising and business promotion; heat, light, and power; and repairs and maintenance.

Store Rentals

Following house profit, there is shown store rental income. This income includes the rental revenue to be derived from shop areas to be included in the hotel. The revenue so developed has been approximated based on the expected needs and the provision of adequate space.

Taxes and Insurance

Real property taxes have been estimated based on county assessment rates. Fire insurance on buildings and contents was estimated on the basis of coverage in effect on comparable hotels in the area.

Estimated Net Income and Cash Flow

In the following paragraphs, we set forth the estimated average annual net income and cash flow of the Keawanui Hotel for the first ten years of operations.

To determine average annual net income, interest, depreciation and income taxes were deducted from the profit reflected in Exhibit A of the appendix. Interest expense reflects the average annual interest for the first ten year period of the 25 year mortgage. Depreciation has been computed on a straight-line basis, assuming a life of 40 years for buildings and 10 years for furniture and equipment. In arriving at the provision for income taxes, we have assumed that accelerated depreciation would be used and that the additional depreciation under this method would average $58,000 a year during the first 10 years. Because of this assumption, income taxes would be payable only if the net income exceeds $58,000 a year. Schedule I which follows shows the results.

Without considering a provision for capital asset replacements, the estimated cash return available from the 168-room hotel at average daily rates of $16.00, $18.00 and $20.00 per occupied room and occupancy averages of 70%, 75% and 80% for the first ten years of operations would be as reflected as Schedule II which follows.

SCHEDULE I

PROPOSED KEAWANUI HOTEL
(A Joint Venture)
168 AVAILABLE ROOMS
ESTIMATED NET PROFIT (LOSS)

	$16.00 Per Day Per Occupied Room and Occupancy of			$18.00 Per Day Per Occupied Room and Occupancy of			$20.00 Per Day Per Occupied Room and Occupancy of		
	70%	75%	80%	70%	75%	80%	70%	75%	80%
Estimated Profit before Interest, Depreciation and Income Taxes – Rounded Off – Exhibit A	$274,000	$322,000	$372,000	$334,000	$387,000	$443,000	$394,000	$453,000	$515,000
Deductions									
Interest									
Average annual interest for first 10-year period of mortgage	$173,000	$173,000	$173,000	$173,000	$173,000	$173,000	$173,000	$173,000	$173,000
Straight-line depreciation									
2-1/2% of buildings	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000
10% of furniture and equipment	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Totals	$285,000	$285,000	$285,000	$285,000	$285,000	$285,000	$285,000	$285,000	$285,000
Estimated Profit (Loss) before Income Taxes	$(11,000)	$ 37,000	$ 87,000	$ 49,000	$102,000	$158,000	$109,000	$168,000	$230,000
Provision for Income Taxes at 50% of Taxable Income	–	–	14,000	–	22,000	50,000	25,000	55,000	86,000
Estimated Net Profit (Loss)	$(11,000)	$ 37,000	$ 73,000	$ 49,000	$ 80,000	$108,000	$ 84,000	$113,000	$144,000

SCHEDULE II

ESTIMATED CASH FLOW

Estimated Profit before Interest, Depreciation and Income Taxes – Rounded Off	$274,000	$322,000	$372,000	$334,000	$387,000	$443,000	$394,000	$453,000	$515,000
Less Cash Requirements									
Interest and amortization payments on mortgage of $3,000,000 – 8% – 25 years	$278,000	$278,000	$278,000	$278,000	$278,000	$278,000	$278,000	$278,000	$278,000
Income taxes	–	–	14,000	–	20,000	50,000	25,000	55,000	86,000
Totals	$278,000	$278,000	$292,000	$278,000	$298,000	$328,000	$303,000	$333,000	$364,000
Cash Return (Deficit) before Provision for Capital Asset Replacements	$(4,000)	$ 44,000	$ 80,000	$ 56,000	$ 89,000	$115,000	$ 91,000	$120,000	$151,000
Return on Equity of $840,000	–	5.2%	9.5%	6.7%	10.6%	13.7%	10.8%	14.3%	18.0%

APPENDIX

PRELIMINARY ESTIMATES OF INCOME AND EXPENSES

PROPOSED KEAWANUI HOTEL
168 AVAILABLE ROOMS
STATEMENT OF ESTIMATED INCOME AND EXPENSES

	$16.00 Per Day Per Occupied Room and Occupancy of			$18.00 Per Day Per Occupied Room and Occupancy of			$20.00 Per Day Per Occupied Room and Occupancy of		
	70%	75%	80%	70%	75%	80%	70%	75%	80%
Total Sales and Income									
Rooms	$ 686,800	$ 735,800	$ 784,900	$ 772,600	$ 827,800	$ 883,000	$ 858,500	$ 919,800	$ 981,100
Food	519,800	557,500	594,000	524,500	562,100	599,500	529,200	566,800	604,200
Beverages	233,800	249,600	267,200	235,700	252,500	269,400	237,800	254,600	271,400
Telephone	7,300	7,800	8,300	7,700	8,300	8,800	8,200	8,700	9,400
Other income	4,300	4,700	5,000	4,700	4,900	5,300	4,900	5,300	5,600
Total Sales and Income	$1,452,000	$1,555,400	$1,659,400	$1,545,200	$1,655,600	$1,766,000	$1,638,600	$1,755,200	$1,871,700
Cost of Goods Sold and Departmental Wages and Expenses									
Rooms	$ 244,500	$ 254,600	$ 265,300	$ 265,800	$ 277,300	$ 288,700	$ 286,800	$ 298,900	$ 311,000
Food and beverages	606,500	640,800	674,100	611,200	645,900	679,300	616,000	650,600	683,800
Telephone	14,600	15,600	16,600	15,400	16,600	17,600	16,400	17,600	18,700
Total Cost of Goods Sold and Departmental Wages and Expenses	$ 865,600	$ 911,000	$ 956,000	$ 892,400	$ 939,800	$ 985,600	$ 919,200	$ 967,100	$1,013,500
Gross Operating Income	$ 586,400	$ 644,400	$ 703,400	$ 652,800	$ 715,800	$ 780,400	$ 719,400	$ 788,100	$ 858,200
Deductions from Income									
Administrative and general expenses	$ 90,000	$ 93,300	$ 96,200	$ 91,200	$ 94,400	$ 97,100	$ 93,400	$ 96,500	$ 99,200
Management fee	43,600	46,700	49,800	46,400	49,700	53,000	49,200	52,700	56,200
Advertising and business promotion	42,100	43,600	44,800	43,300	44,700	45,900	44,200	45,600	46,800
Heat, light and power	63,800	65,300	66,400	64,800	66,200	67,100	65,500	66,700	67,400
Repairs and maintenance	78,400	80,800	83,000	80,400	82,700	84,800	81,900	84,300	86,100
Total Deductions from Income	$ 317,900	$ 329,700	$ 340,200	$ 326,100	$ 337,700	$ 347,900	$ 334,200	$ 345,800	$ 355,700
House Profit	$ 268,500	$ 314,700	$ 363,200	$ 326,700	$ 378,100	$ 432,500	$ 385,200	$ 442,300	$ 502,500
Store Rentals	21,800	23,300	24,900	23,200	24,800	26,500	24,600	26,300	28,100
Gross Operating Profit	$ 290,300	$ 338,000	$ 388,100	$ 349,900	$ 402,900	$ 459,000	$ 409,800	$ 468,600	$ 530,600
Taxes and Insurance									
Taxes on land and improvements	$ 11,000	$ 11,000	$ 11,000	$ 11,000	$ 11,000	$ 11,000	$ 11,000	$ 11,000	$ 11,000
Fire insurance	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Taxes and Insurance	$ 16,000	$ 16,000	$ 16,000	$ 16,000	$ 16,000	$ 16,000	$ 16,000	$ 16,000	$ 16,000
Profit before Interest, Depreciation and Taxes on Income	$ 274,300	$ 322,000	$ 372,100	$ 333,900	$ 386,900	$ 443,000	$ 393,800	$ 452,600	$ 514,600

PROPOSED KEAWANUI HOTEL
168 AVAILABLE ROOMS
STATEMENT OF ESTIMATED INCOME AND EXPENSES

	$16.00 Per Day Per Occupied Room and Occupancy of			$18.00 Per Day Per Occupied Room and Occupancy of			$20.00 Per Day Per Occupied Room and Occupancy of		
	70%	75%	80%	70%	75%	80%	70%	75%	80%
Total Sales and Income									
Rooms	47.3%	47.3%	47.3%	50.0%	50.0%	50.0%	52.4%	52.4%	52.4%
Food	35.8	35.8	35.8	33.9	33.9	33.9	32.3	32.3	32.3
Beverages	16.1	16.1	16.1	15.3	15.3	15.3	14.5	14.5	14.5
Telephone	.5	.5	.5	.5	.5	.5	.5	.5	.5
Other income	.3	.3	.3	.3	.3	.3	.3	.3	.3
Total Sales and Income	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold and Departmental Wages and Expenses									
Rooms	16.8%	16.4%	16.0%	17.2%	16.9%	16.3%	17.5%	17.0%	16.6%
Food and beverages	41.8	41.2	40.6	39.6	39.0	38.5	37.6	37.1	36.5
Telephone	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Cost of Goods Sold and Departmental Wages and Expenses	59.6%	58.6%	57.6%	57.8%	56.9%	55.8%	56.1%	55.1%	54.1%
Gross Operating Income	40.4%	41.4%	42.4%	42.2%	43.1%	44.2%	43.9%	44.9%	45.9%
Deductions from Income									
Administrative and general expenses	6.2%	6.0%	5.8%	5.9%	5.7%	5.5%	5.7%	5.5%	5.3%
Management fee	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Advertising and business promotion	2.9	2.8	2.7	2.8	2.7	2.6	2.7	2.6	2.5
Heat, light and power	4.4	4.2	4.0	4.2	4.0	3.8	4.0	3.8	3.6
Repairs and maintenance	5.4	5.2	5.0	5.2	5.0	4.8	5.0	4.8	4.6
Total Deductions from Income	21.9%	21.2%	20.5%	21.1%	20.4%	19.7%	20.4%	19.7%	19.0%
House Profit	18.5%	20.2%	21.9%	21.1%	22.7%	24.5%	23.5%	25.2%	26.9%
Store Rentals	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Gross Operating Profit	20.0%	21.7%	23.4%	22.6%	24.2%	26.0%	25.0%	26.7%	28.4%
Taxes and Insurance									
Taxes on land and improvements	.8%	.7%	.7%	.7%	.7%	.6%	.7%	.6%	.6%
Fire insurance	.3	.3	.3	.3	.3	.3	.3	.3	.3
Total Taxes and Insurance	1.1%	1.0%	1.0%	1.0%	1.0%	.9%	1.0%	.9%	.9%
Profit before Interest, Depreciation and Taxes on Income	18.9%	20.7%	22.4%	21.6%	23.2%	25.1%	24.0%	25.8%	27.5%

SCHEDULE A-1

PROPOSED KEAWANUI HOTEL
168 AVAILABLE ROOMS
ESTIMATED INCOME AND EXPENSES OF
ROOMS DEPARTMENT

	$16.00 Per Day Per Occupied Room and Occupancy of			$18.00 Per Day Per Occupied Room and Occupancy of			$20.00 Per Day Per Occupied Room and Occupancy of		
	70%	75%	80%	70%	75%	80%	70%	75%	80%
Room Sales	$686,800	$735,800	$784,900	$772,600	$827,800	$883,000	$858,500	$919,800	$981,100
Departmental Expenses									
Salaries and wages	$116,800	$121,400	$125,600	$127,500	$132,500	$136,900	$137,400	$142,600	$147,200
Related payroll costs including employees' meals and payroll taxes	14,400	14,700	15,700	15,500	15,700	16,800	16,300	16,600	17,700
Laundry	21,300	21,300	22,000	20,900	21,500	22,000	21,500	22,100	22,600
Linen, china and glassware	6,900	7,400	7,900	7,600	8,300	8,800	8,600	9,200	9,800
Commissions to travel agents	48,000	51,500	54,900	54,100	57,900	61,800	60,100	64,300	68,700
Other expenses	37,100	38,300	39,200	40,200	41,400	42,400	42,900	44,100	45,000
Total Departmental Expenses	$244,500	$254,600	$265,300	$265,800	$277,300	$288,700	$286,800	$298,900	$311,000
Departmental Profit - (After Direct Expenses Only)	$442,300	$481,200	$519,600	$506,800	$550,500	$594,300	$571,700	$620,900	$670,100
STATISTICS									
Room Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Departmental Expenses									
Salaries and wages	17.0%	16.5%	16.0%	16.5%	16.0%	15.5%	16.0%	15.5%	15.0%
Related payroll costs including employees' meals and payroll taxes	2.1	2.0	2.0	2.0	1.9	1.9	1.9	1.8	1.8
Laundry	3.1	2.9	2.8	2.7	2.6	2.5	2.5	2.4	2.3
Linen, china and glassware	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Commissions to travel agents	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Other expenses	5.4	5.2	5.0	5.2	5.0	4.8	5.0	4.8	4.6
Total Departmental Expenses	35.6%	34.6%	33.8%	34.4%	33.5%	32.7%	33.4%	32.5%	31.7%
Departmental Profit - (After Direct Expenses Only)	64.4%	65.4%	66.2%	65.6%	66.5%	67.3%	66.6%	67.5%	68.3%

PROPOSED KEAWANUI HOTEL
168 AVAILABLE ROOMS
ESTIMATED INCOME AND EXPENSES OF
FOOD AND BEVERAGE DEPARTMENTS

	$16.00 Per Day Per Occupied Room and Occupancy of			$18.00 Per Day Per Occupied Room and Occupancy of			$20.00 Per Day Per Occupied Room and Occupancy of		
	70%	75%	80%	70%	75%	80%	70%	75%	80%
Food Sales	$519,800	$557,500	$594,000	$524,500	$562,100	$599,500	$529,200	$566,800	$604,200
Cost of Food Sold									
Cost of food consumed, net of credit for employees' meals	187,100	200,700	213,800	188,800	202,400	215,800	190,500	204,000	217,500
Gross Food Profit	$332,700	$356,800	$380,200	$335,700	$359,700	$383,700	$338,700	$362,800	$386,700
Beverage Sales	$233,800	$249,600	$267,200	$235,700	$252,500	$269,400	$237,800	$254,600	$271,400
Cost of Beverages Sold	58,500	62,400	66,800	58,900	63,100	67,400	59,500	63,700	67,900
Gross Beverage Profit	$175,300	$187,200	$200,400	$176,800	$189,400	$202,000	$178,300	$190,900	$203,500
Total Food and Beverage Sales	$753,600	$807,100	$861,200	$760,200	$814,600	$868,900	$767,000	$821,400	$875,600
Cost of Food and Beverages Sold	245,600	263,100	280,600	247,700	265,500	283,200	250,000	267,700	285,400
Gross Food and Beverage Profit	$508,000	$544,000	$580,600	$512,500	$549,100	$585,700	$517,000	$553,700	$590,200
Departmental Expenses									
Salaries and wages	$233,600	$242,100	$249,700	$235,700	$244,400	$252,000	$237,800	$246,400	$253,900
Related payroll costs including employees' meals and payroll taxes	42,200	44,400	46,500	42,600	44,800	46,900	43,000	45,200	47,300
Music and entertainment	37,700	40,400	43,100	38,000	40,700	43,400	38,400	41,100	43,800
Laundry	9,000	9,700	10,300	9,100	9,800	10,400	9,200	9,900	10,500
Linen, china, glassware and silver	6,800	7,200	7,800	6,900	7,300	7,800	6,900	7,400	7,900
Other expenses	31,600	33,900	36,100	31,200	33,400	35,600	30,700	32,900	35,000
Total Departmental Expenses	$360,900	$377,700	$393,500	$363,500	$380,400	$396,100	$366,000	$382,900	$398,400
Departmental Profit – (After Direct Expenses Only)	$147,100	$166,300	$187,100	$149,000	$168,700	$189,600	$151,000	$170,800	$191,800

PROPOSED KEAWANUI HOTEL
168 AVAILABLE ROOMS
ESTIMATED INCOME AND EXPENSES OF
FOOD AND BEVERAGE DEPARTMENTS

	$16.00 Per Day Per Occupied Room and Occupancy of			$18.00 Per Day Per Occupied Room and Occupancy of			$20.00 Per Day Per Occupied Room and Occupancy of		
	70%	75%	80%	70%	75%	80%	70%	75%	80%
Food Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Food Sold									
Cost of food consumed, net of credit for employees' meals	36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0
Gross Food Profit	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%
Beverage Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Beverages Sold	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Gross Beverage Profit	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Total Food and Beverage Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Food and Beverages Sold	32.6	32.6	32.6	32.6	32.6	32.6	32.6	32.6	32.6
Gross Food and Beverage Profit	67.4%	67.4%	67.4%	67.4%	67.4%	67.4%	67.4%	67.4%	67.4%
Departmental Expenses									
Salaries and wages	31.0%	30.0%	29.0%	31.0%	30.0%	29.0%	31.0%	30.0%	29.0%
Related payroll costs including employees' meals and payroll taxes	5.6	5.5	5.4	5.6	5.5	5.4	5.6	5.5	5.4
Music and entertainment	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Laundry	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Linen, china, glassware and silver	.9	.9	.9	.9	.9	.9	.9	.9	.9
Other expenses	4.2	4.2	4.2	4.1	4.1	4.1	4.0	4.0	4.0
Total Departmental Expenses	47.9%	46.8%	45.7%	47.8%	46.7%	45.6%	47.7%	46.6%	45.5%
Departmental Profit - (After Direct Expenses Only)	19.5%	20.6%	21.7%	19.6%	20.7%	21.8%	19.7%	20.8%	21.9%



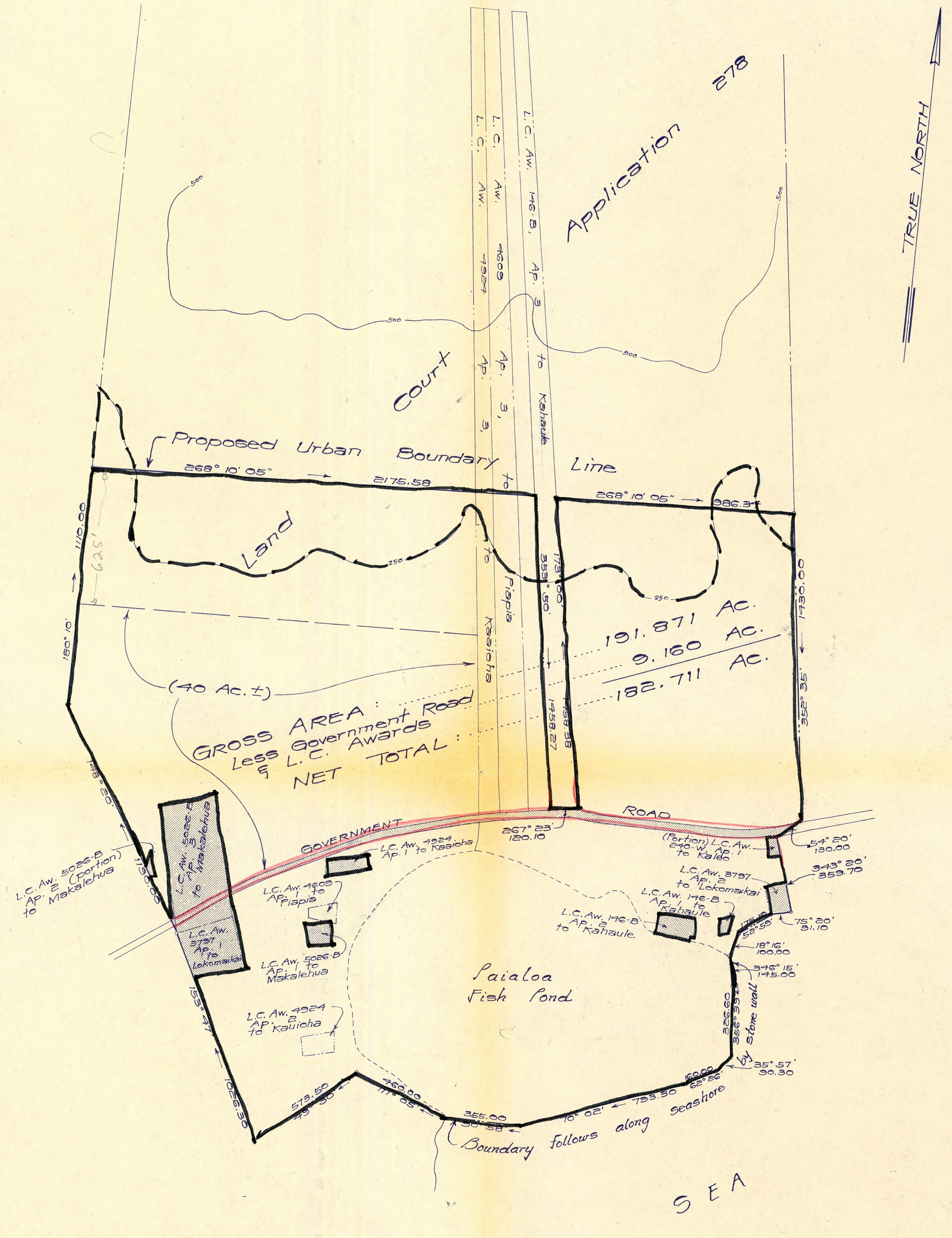
LOCATION MAP
SCALE: 1" = 250,000'

PROPOSED MARINA
NEAR
KALAELOA HARBOR
ISLAND OF MOLOKAI

OWNER: MOLOKAI LAND CORPORATION

ENGINEERS & ARCHITECTS: WILSON OKAMOTO & ASSOCIATES

DATE: JUNE 13, 1969



LEGEND:

▨ Denotes areas excluded from petition

R.M. TOWILL CORPORATION
This map was prepared by me or under my supervision

By: Jan Lun Chinn
Registered Professional Surveyor
Certificate Number 398

Map Showing
Portion of Puaahala, Molokai, Hawaii
In Re-Petition for Amendment
to Land Use Commission District Boundary
Petitioner: Puaahala Company
Tax Map Key: 5-6-05, 06 & 07

400 200 0 400 800 1200
Scale in Feet

7233

Honolulu, Hawaii
3-00641-0-S

R. M. TOWILL CORPORATION
CIVIL ENGINEERS - SURVEYORS

1600 Kapiolani Blvd.
August 11, 1969

KAMALO HARBOR

OCEAN

WATER SPORTS

TO KAUNAKAKAI 11 MILES

100 150 200 250 300

50

MARINA VIEW ESTATES

PUBLIC BEACH

PUBLIC ACCESS

KAMEHAMEHA HIGHWAY

HIKING & NATURE AREA

FISHING GROUNDS

LAGOON

OCEAN

KALAELOA HARBOR

Submitted at Hearing 6/25/69

LAND USE PLAN
MOLOKAI RESORT DEVELOPMENT
PACIFIC BASIN TRAVEL SYSTEM

WIMBERLY, WHISENAND, ALLISON & TONG
ARCHITECTS, LTD.
2222 Kalakaua Avenue, Honolulu, Hawaii Cable Address: Wikiwiki
George J. Wimberly F.A.I.A. George V. Whisenand A.I.A.
Gerald L. Allison A.I.A. Gregory M. B. Tong A.I.A.

CONNECTED
FEB 6 1939
FEB 8 1939
FEB 9 1939
FEB 13 1939
JUL 1 1940
NOV 6 1940
FEB 1943
APR 20 1943
MAR 22 1944
JUL 7 1945
SEP 28 1945
MAY 7 1946
FEB 24 1947
OCT 8 1948
OCT 8 1950
DEC 11 1950
MAR 5 1951
OCT 9 1951
AUG 16 19
NOV 24 19
OCT 1 1956
MAY 22 1957
OCT 1957
MAR 1958
MAY 22 1958
OCT 6 1958
MAY 22 1959
OCT 1959
MAY 22 1960
OCT 1960

Dwg. No: 2183
Source: Tax Map Bureau of Survey Dept.
By: Ira K. Hutchinson - Nov. 1934

Unlocated Parcels				
LC Awards	Ap.	Owners	Parcel	Area
4607	2	George McCorriston - Tr	05	0.25 ac.

A69-216
PUAAHALA CO.

PARCELS 60, 39 & 51:
George McCorriston - L/l
Florence M. Shultz
Martha A.M. Rice
Collen M. Smith - T/C } - Rdm.

50 George McCorriston - L/l
Florence M. Shultz
Martha A.M. Rice
Collen M. Smith - T/C } - Rdm.
Samuel Kaukani, Est. - M/c } - M/c

Owners of Parcels 10, 18, 19, 22 & 38
John F. Austin, Jr. - 1/6
Ariana A. Fairbanks - 1/18
James W. Austin - 1/18
Dorothy B. Austin - 1/6

Plat 06

True North 1" = 200'

SEC. 5 — ZONE 5 — 278 — PLAT 05 — PLAT 05

Sam K. Kekino & wf Anarita P. L/l
Hanel K., Herman K., William K., Lillian K. & Wallace K. Kekino, Mildred K. Machado, Sam K. & Jeanette N. Roger } Rdm.
M/c

To KAMALO Trig. 1528.8N 2622.9E

Edith B. Meyer 8.0 acs.

Charles Townsend - 9/16
Charles P. Townsend - 1/16
Charles K. Townsend & Wf. Caroline F. - J/T - 2/16
Frances P. Lucas
Violet C. Awai
Wanda Townsend Gdn. Tr.
John W. Townsend Gdn. Tr.
Marie W. Townsend-Dow. } 1/16

Approximate Location

Neoma Foster - 1/42
Daniel H. Foster - 1/42
Francis H. Foster - 1/42
George T. Foster - 1/42
Anna F. McGuire - 1/42
Jack L. Foster - 1/42
James Foster - 1/42
Edward McCorriston Est. - 1/6
James M. Hill, Jr. } 1/42
Sally J. Coe }
John S. McCorriston Est. - 1/6
Aileen A.Ah Ping - 1/6
Marguerite A. Cummins
Alberta L. Janitschke
Annie E. Lishman
Dorcas K. Cummins
Henry P. Meyer T/c
Charles S. Meyer } 1/6

See Above 0.50 Ac. L.C. Am. 4078:4 :3

See Above 0.50 Ac. L.C. Am. 4059:3

Edith Haasenritter 2/12
Josephine Makaiwi 2/12
Maria Alfechio 2/12
Moses Akawa Jr. 2/12
Cecelia Kaiahua 2/12
Edna Pilahi 1/12
Joseph Kekoonui 1/12

Theodore L. Bush
Noralyn K. Bush, minor

Moses Holani
Edith K. Swan
Mary K. Rodrigues T/c

Rose A.K. Aping 17.69 Acs.

Owners of Parcels 3, 7, 8, 9 & 46.
Mary K. Mahiai - 1/3
Paul Keaka
David Kuahulu, Sr. - Curt/Est. - 1/3
David Kuahulu - (Minor)
Gabriel Kuahulu "
LeRoy Kuahulu "
Bernard Kuahulu " - 1/3
Jackie Kuahulu "
Douglas Kuahulu "

Loretta Martin
Rose Via
Rose Aping - Dower

Annie Lei Winchester
Mabel K.P. Cummings
Mapuana Wailima
Helen Fuller

State of Hawaii 10.565 ± (County of Maui) East Maui Water System Exec. Ord. 640

11 Susumu Sakaida & wf Yasuko - J/T
15 Susumu Sakaida & wf Yasuko - J/T

16 20 40 & 44 William Kamakana Sr. - L/l
John Kamakana
Cecilia Kamakana
Mary Kamakana
Esther Kamakana
Henry Kamakana
Albert Kamakana
Betha Kamakana
Lily Kamakana
James Kamakana
Spencer Kamakana
William Kamakana Jr. } J/T - Rdm.

62 Mabel W. Abbey
Roselani W. Brandt
Winona W. Hong
Arthur K. Wood
Keneze K. Wood
Adam H. Ahai
Maria A. Rasmussen } T/c - 1/3 } 6/9 or 2/3

26 & 31 Hattie Fountain } L/l
Harriet K. Kaina
Edward N. Dudoit
Et. al. (K. Fountain) Rdm.
Kulai Kakoo - Unif.

29 State of Hawaii (Mitsuji Oka & wf - Jack Chow Ng)
SSA S-4544

Dropped Parcel as 6, 62, 36

SECOND DIVISION		
ZONE	SEC.	PLAT
5	6	07

CONTAINING PARCELS
SCALE: 1 in. = 200 ft.

PRINTED MAY 7 1969

7237

Office
A69-216

PHASE I

REPORT ON STUDY
OF MARKET DEMAND FOR
PROPOSED KEAWANUI HOTEL
ISLAND OF MOLOKAI, HAWAII

JULY, 1968

HARRIS, KERR, FORSTER & COMPANY

PHASE I

REPORT ON STUDY

OF MARKET DEMAND FOR

PROPOSED KEAWANUI HOTEL

ISLAND OF MOLOKAI, HAWAII

JULY, 1968

HARRIS, KERR, FORSTER & COMPANY
ACCOUNTANTS AND AUDITORS

ROBERT CISCO
GEORGE E. LIPP

SUITE 222, 1585 KAPIOLANI BOULEVARD
HONOLULU, HAWAII 96814
TELEPHONE 941-6661
CABLE "HARKERFOR HONOLULU"

ATLANTA, GA.
BOSTON, MASS.
CHICAGO, ILL.
DENVER, COLO.
HOUSTON, TEXAS
LOS ANGELES, CALIF.
MEMPHIS, TENN.
NEW ORLEANS, LA.
NEW YORK, N. Y.
PHILADELPHIA, PA.
SAN FRANCISCO, CALIF.
SAN JUAN, P.R.
WASHINGTON, D.C.

July 29, 1968

Mr. James E. Richmond
305 Royal Hawaiian Avenue, Suite 301
Honolulu, Hawaii

Dear Mr. Richmond:

We have completed a market and site analysis, Phase I, in connection with the proposed Keawanui Hotel to be located on the southeast shore of the Island of Molokai, Hawaii.

The conclusions reached in the market phase of this study are based on our present knowledge with respect to demand and to hotel accommodations presently available or planned in Hawaii. We have also considered the projected competitive position of the Neighbor Islands as they relate to each other and the Island of Oahu.

This preliminary report has been prepared primarily for the use and guidance of interested parties in determining the market demand for the project. Under no circumstances is our name or the material submitted herein to be included in any prospectus, offerings or representations in connection with the sale of securities or participation interests to the public.

We will be pleased to have you advise us if we can answer questions relative to this initial phase of the study. We will proceed with Phase II, a determination of the economic feasibility of the project, as soon as we are advised.

Yours very truly,

Harris, Kerr, Forster & Company

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SECTION I

SUMMARY OF CONCLUSIONS

SECTION I

SUMMARY OF CONCLUSIONS

Molokai is the island of tomorrow. It is the closest of the Neighbor Islands to Oahu, Hawaii's major gateway, and yet it has been largely overlooked as a visitor destination area. It is our opinion that there is a market for a destination area of substantial magnitude on the Island of Molokai, particularly the south shore, which can compete favorably with the other Neighbor Islands. Major factors influencing this opinion are Molokai's proximity to Oahu, coupled with its traditional Hawaiian atmosphere.

Site of Proposed Keawanui Hotel

The proposed hotel would be located at Keawanui on the southeastern coast of the island approximately 17 miles from the Molokai Airport. Scenery from the beachside site is excellent, and proper development and landscaping could result in an effective hotel property. The proposed site contains 370,000 square feet which is approximately 8 1/2 acres.

Number of Rooms

As a result of our market study, we have concluded that the initial increment of the proposed Keawanui Hotel should contain 150 to 200 guest rooms plus food, beverage and shop facilities. The building(s) should be of low-rise construction and the design should take advantage of the island's Hawaiian atmosphere. Overall cost of construction and furniture and equipment should fall within the range of $14,000 to $18,000 a room exclusive of land.

Under the preliminary plan of development, the hotel would be constructed in three phases, as follows:

Phase	Guest Rooms
I	168
II	44
III	120
Total	332

The arrangement of buildings could conceivably be changed so as to accommodate 350 to 400 guest rooms without overcrowding the property.

Expected Occupancy Percentage

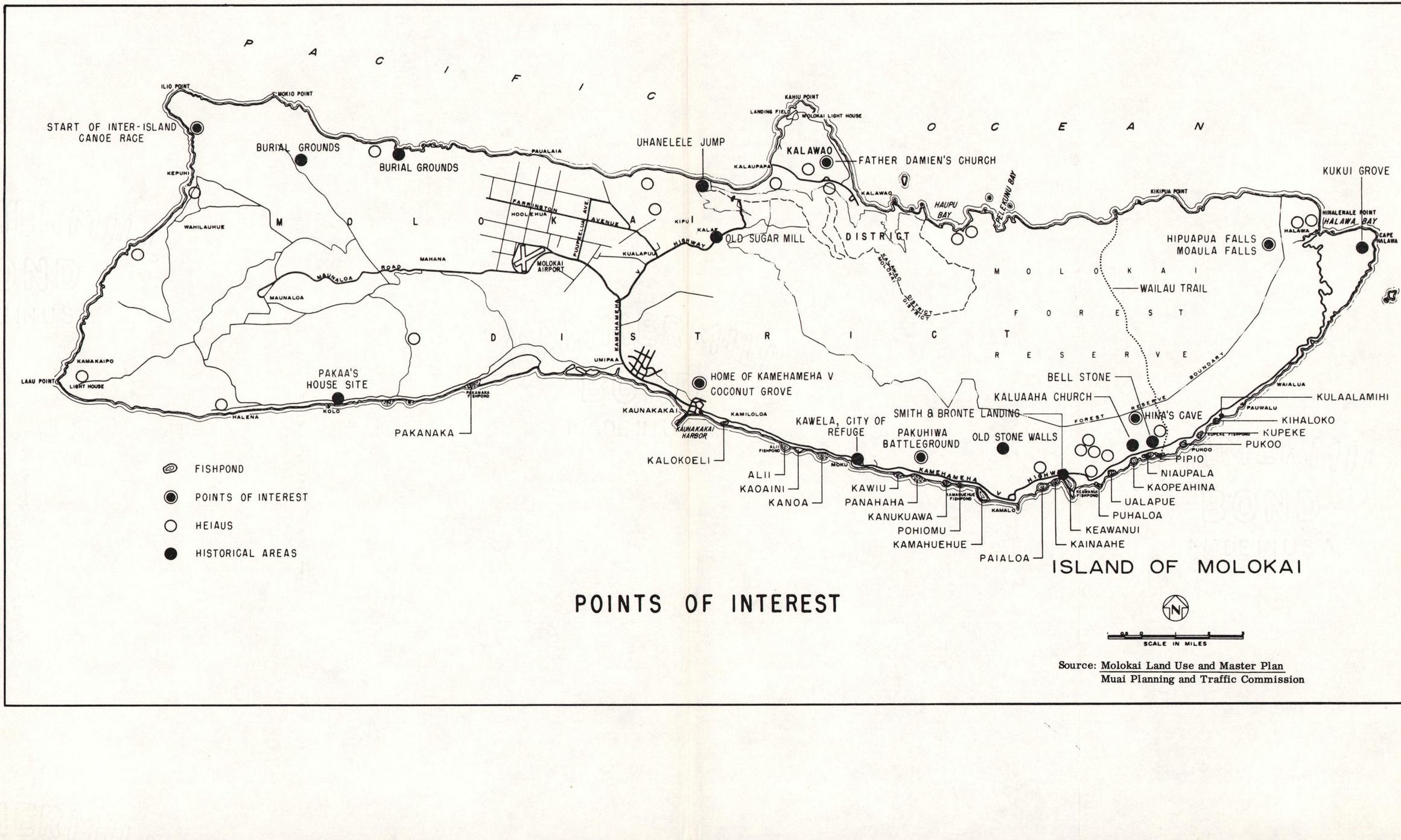
Our general conclusion with respect to market demand indicates that occupancy of 70% to 80% could be realized by the proposed Keawanui Hotel. The selected site is well located on the Island of Molokai.

Attainment of the indicated occupancy depends very heavily upon affiliation with a well-established operator with Mainland travel connections. In a recent visitor survey conducted by the Hawaii Visitors Bureau, 65% of surveyed visitors used a travel agent in making arrangements for transportation and/or accommodations. Of the respondents who visited the Neighbor Islands, 72% made their trip arrangements on the Mainland before leaving for Hawaii.

Average Daily Rate per Occupied Room

Another material factor for consideration in an evaluation of market is the average daily rate which may be realized from the rental of guest rooms. This factor is affected drastically by the physical facility itself. In the Neighbor Islands, average

daily rates per occupied room of from $12.00 to $28.00 may be expected. Based on our analysis of the factors which would affect the daily rate of the proposed Keawanui Hotel, it is our opinion that the average daily rate will be between $14.00 and $18.00 per day per occupied room.



POINTS OF INTEREST

Source: Molokai Land Use and Master Plan
Muai Planning and Traffic Commission

SECTION II

MARKET ANALYSIS

SECTION II

MARKET ANALYSIS

Travel and Tourism

Travel and tourism is the total movement of people for all purposes. The volume of world traffic and money expended by it has unfailingly broken the record of each preceding year for many years. Greater attention is consequently being directed by the public and private sectors to ways and means of fostering tourism.

As far as the private sector is concerned, tourism has become linked with the giants of commerce, the airlines, hotel operators, travel agencies, steamship lines, transportation companies and those industries that support them. All these entities depend upon the movement of people for their growth and even for survival.

World travel increased to a record breaking level in 1967 with the volume of traffic and expenditures up 7% and 8% over the comparable 1966 figures. The volume of traffic to Hawaii during this period increased by 41% and expenditures were up by 32%. Visitors to Hawaii expended more than $400 million during 1967.[1]

Visitors to Hawaii

There has been a phenominal increase in visitors to Hawaii in recent years. Although the primary destination point for visitors to Hawaii is the Waikiki area, all hotels in the islands are directly affected by the total number of visitors to the state.

---

[1]Hawaii Visitors Bureau, Annual Program and Research Report , 1967

The Hawaii Visitors Bureau has been gathering statistics for many years by surveying passengers arriving in the State of Hawaii. As a result of these annually published statistics, it is possible to make some estimates of the future visitors to Hawaii. These statistics have indicated that there has been an almost constant increase in visitors since compilation of the data was commenced in 1922. The number of arriving visitors, from 1958 to 1967, together with the percentage increase over the preceding year, has been as follows:

Year	Number of [2] Overnight Visitors	Percentage Increase over Previous Year
1958	171,588	1.6
1959	243,216	41.7
1960	296,517	21.9
1961	319,807	7.9
1962	362,145	13.2
1963	429,140	18.5
1964	508,870	18.6
1965	606,010	19.1
1966	710,580	17.3
1967	1,001,810	39.9

Percentage Increase 1958 to 1967 (10-year period)	483.8%
Percentage Increase 1963 to 1967 (5-year period)	133.4%

The fastest area of growth in the State of Hawaii is the tourism industry and this trend is continuing in 1968, which is reflected as follows:

[2] Op. cit., Hawaii Visitors Bureau.

Month	Visitors[3]	Percentage Increase over Previous Year
January	71,515	15.2
February	83,385	22.5
March	89,050	20.6
April	90,775	24.8
May	97,062	28.2
June	124,588	22.9
Total	556,375	22.4

The data from which these figures were extracted indicate that the major increase in visitor arrivals has occurred since World War II. A major factor contributing to the increase has been the development of jet air carrier service, which has permitted Hawaii to participate fully in the expanding travel market.

The trend of the figures shows an expectation of increasing visitor arrivals in future years. In discussion with the officials in the Departments of Economics of the Bank of Hawaii and the First National Bank of Hawaii, indication was made that, in their opinion, the trend would continue. In addition, the Hawaii State Department of Planning and Economic Development and the Hawaii Visitors Bureau have continually predicted ever increasing numbers of overnight or longer visitors.

A combination of factors will contribute to increased travel from the United States mainland. Among these factors are:

[3]Hawaii Visitors Bureau, Research Reports, January to June, 1968.

1. Continuing growth of population and earnings:

	Population[4] (Thousands)	Labor Force[5] Over 18 (Thousands)	Gross National[5] Product (Billions - 1958 $)
1965	194,583	72,179	614
1970 Est.	211,430	77,150	746
1975 Est.	230,415	83,970	930
1980 Est.	252,056	91,350	1,150

2. Growth in the proportion of medium to high income families, coupled with an increasing level of education. This more educated and affluent group travels in larger percentages and more frequently than less sophisticated segments of the population. This group composed of individuals and families with annual incomes over $10,000 and with some college education, is showing substantial growth, as follows:[6]

Year	Population	Households	Affluent Households	
1960	179.3	52.8	11.6	22%
1966	195.9	58.1	14.5	25%
1972	215.8	64.7	21.4	33%

(Data in Millions)

3. Increasing rate of acceptance by former nonfliers of air travel.

4. Increase in speed, passenger capacity and comfort of airplanes, coupled with decreasing fares.

5. Proposed taxation of foreign travel will make Hawaii an overseas destination free of such threat.

It is forecasted that air traffic from Canada and the United States mainland will be 4.1 times greater in 1975 than in 1966.[7] Almost one-half (48.1%) of Hawaii visitors have come from the three West Coast states. The principal overall markets for travel to Hawaii are the large urban centers: Los Angeles, San Francisco, New York, Chicago, Seattle, Philadelphia, Cleveland and Detroit.

---

[4]U. S. Bureau of Census Population Estimates Series P-25, 1964.
[5]Aircraft Demand 1967 - 1990, Lockheed - California Company, November 1966.
[6]Newsweek Magazine, Louis Harris and Associates, Inc., 1966.
[7]Boeing Air Traffic Forecasts, Commercial Airplane Division, February, 1968.

Aircraft company forecasts verify the predictions for continued increases in visitor arrivals. For the period from 1956 through 1967, the number of visitors to Hawaii staying overnight or longer equalled 60 per cent of total air passengers to Hawaii. By forecasting the number of air passengers to Hawaii through 1975 and computing the relationship of overnight or longer visitors, approximately 2,900,000 overnight or longer visitors might be expected by that date. Assuming that visitor arrivals increase at the rate thus predicted, the following number of visitors may be expected over the next five years:

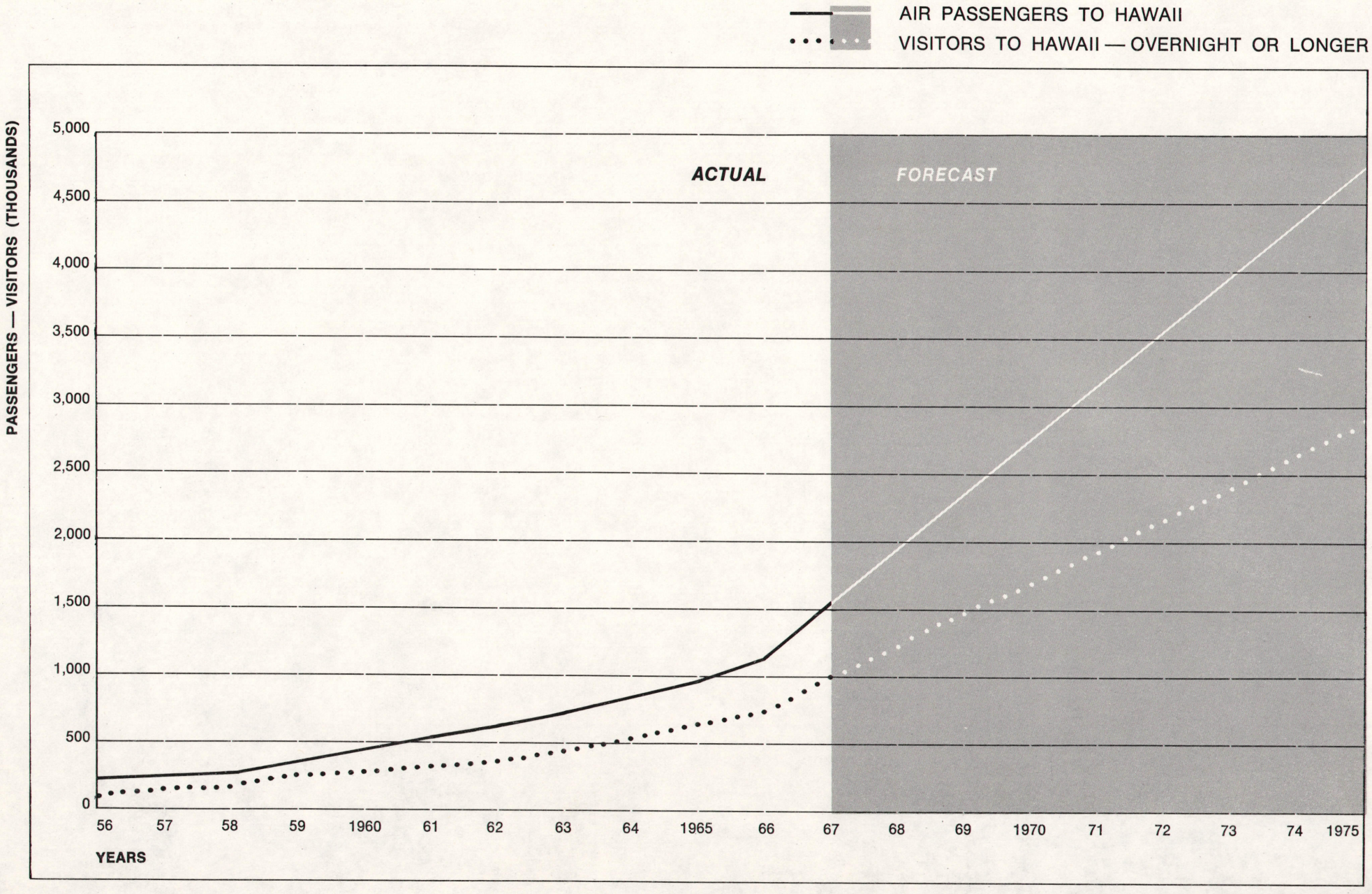
Year	Estimated Number of Visitor Arrivals
1968	1,250,000
1969	1,500,000
1970	1,700,000
1971	1,950,000
1972	2,300,000

Even though we feel that the annual percentage increase of visitor arrivals cannot be expected to continue indefinitely, an increase of from 200,000 to 350,000 annually might be expected for the foreseeable future. An unpredictable factor in this expected increase is the effect of changes in the involvement of the United States in Vietnam.

Included in the above figures are a growing number of convention delegates attending conventions and business meetings in Hawaii. This group of additional visitors has assisted in increasing occupancies of the hotels, particularly in Waikiki, in normally low visitor months.

The relationship described herein is illustrated graphically on the following page.

AIR PASSENGERS AND VISITORS TO HAWAII / 1956 - 1975



Prepared by Harris, Kerr, Forster & Company

Neighbor Islands

The Neighbor Islands in the State of Hawaii are defined as those islands other than Oahu, where the City of Honolulu is located. As a result of the growth of tourism, declines in both employment and population on the Neighbor Islands are being reversed. The islands open to visitors are Hawaii, Maui, Kauai, Molokai and Lanai. The first three are already firmly entrenched as tourist destination areas; whereas, the latter two have not been developed as tourist attractions. There is every indication that tourism will grow faster on the Neighbor Islands than on Oahu. Several factors lead to this conclusion, as follows:

1. Many visitors find Waikiki too crowded and cosmopolitan.

2. The Neighbor Islands provide the image of Hawaii which has been created over the years.

3. Direct air service connecting the mainland United States with Hilo on the Island of Hawaii and eventually to other Neighbor Islands will drastically change the pattern of travel among the islands.

4. Repeat visitors (about 30%) seem to prefer longer stays in the relatively tranquil Neighbor Islands.

5. Visitor facilities on the Neighbor Islands have improved markedly in number and quality in recent years. Consequently, length of stay on individual Neighbor Islands has increased from one night to three over the last ten years.

Description and Location of Molokai

The Island of Molokai is the fifth largest island in the State of Hawaii. It is located north of Lanai, 7-1/2 miles northwest of Maui, and 25 miles east of Oahu. The City of Honolulu, the center of population and commerce in Hawaii, is located on the Island of Oahu.

Resembling an indian moccasin in shape, the island is approximately 30 miles long and 10 miles wide, having an overall area of 260 square miles. Molokai was built by three volcanoes. The western end of the island is now a tableland called Maunaloa and its peak, Puu Nana rises 1,381 feet. Kamakou is at the eastern end of the island and its summit is 4,970 feet in height. The island has beautiful scenery and an excellent year-round climate. Temperatures range from an average high of 81.1° to an average low of 66.6°, resulting in an overall average annual temperature of 73.8°.

Some of the best preserved examples of ancient Hawaiian culture are concentrated on the Island of Molokai. Areas of historic interest include Iliiliopae, the largest remaining heiau in the Hawaiian Islands. The island has a city of refuge which was once on a par with the more familiar one on the Island of Hawaii. A visitor can discover the beautiful Halawa Valley, as well as Kawakiuiki Beach, the traditional launching spot for the annual Aloha Week Molokai-Oahu canoe race. The highways of Molokai have been extended and improved in recent years so that motoring trips are worthwhile.

Molokai - "The Friendly Isle" - so called because of the warm Polynesian welcome accorded visitors, is primarily devoted to ranching and the growing of pineapple. Libby, McNeill & Libby and the California Packing Corporation have developed extensive pineapple production. The largest ranches on the island are the 45,000-acre Molokai Ranch and the 15,000-acre Puu-O-Hoku Ranch.

Population and Employment on Molokai

Molokai is part of Maui County which includes the Islands of Maui, Molokai, Lanai and Kahoolawe. The population trends have been as follows:

Year	Maui County[8]	Island of Molokai[8]
1930	56,146	5,032
1940	55,980	5,340
1950	48,519	5,280
1960	42,640	5,023
1965	45,922	5,957
1968	49,937	6,221

Future growth of the resident population on Molokai is dependent upon expanding employment. As job opportunities become available, not only should people be attracted to the island, but an increased portion of the natural addition to the labor force will be encouraged to stay.

[8]Source: Hawaii Department of Health.

Airline Connections and Transportation

Molokai is served by both major inter-island air carriers as well as several air taxi services. A compilation of service follows:

Airline	Daily Flights: Honolulu to Molokai	Daily Flights: Other Islands to Molokai
Hawaiian Airlines	2	2
Aloha Airlines	2	1
Royal Hawaiian Air Service	4	4
Air Hawaii	Flag Stops Only	
Sky Tours Hawaii	3	2
Pacific Flight Service	1*	1*

*Every other day

Both Hawaiian Airlines and Aloha Airlines have common-fare rates which allow mainland visitors to Oahu to stopover on Molokai for only an additional $5 fare.

On the island, there are two u-drive agencies as well as the availability of guided tours.

Visitor Census in Hawaii

Although the visitor arrivals are projected to increase during the next several years, the average length of stay by visitors has decreased materially over the last several years. Indications are that the average length of stay is leveling off near 10 days. The following schedule reflects the length of stay and the estimated average daily census of westbound visitors from 1963 to 1967:[9]

[9]Hawaii Visitors Bureau, Annual Program and Research Reports.

Year	Average Length of Stay	Estimated Average Daily Census
1963	12.8	11,640
1964	11.8	13,027
1965	10.3	13,757
1966	10.3	15,928
1967	10.3	21,495

The foregoing tabulation indicates that room requirements in the next several years may not increase proportionately with the increase in visitors.

The present unprecedented growth in tourism in Hawaii is being stimulated by numerous factors. Some of the more important of these are as follows:

1. Technical advances in air travel.

2. Reduction in air fares coupled with increasing levels of family income.

3. General overall growth in travel throughout the Pacific area.

4. Marked rise of convention activity in Hawaii.

5. Recent sharp rise in members of the armed forces coming to Hawaii for rest and recuperation who are often joined by family or friends from the mainland. [10]

6. Discouraging of foreign travel by the federal government as part of the United States effort to decrease our balance of payments deficit.

[10] Bank of Hawaii, Annual Economic Report, August, 1967.

Certain factors could act to defer the rapidly developing visitor market. Those factors include:

1. President Johnson's efforts to curtail travel abroad decreasing the volume of visitors stopping in Hawaii on their way to other areas.

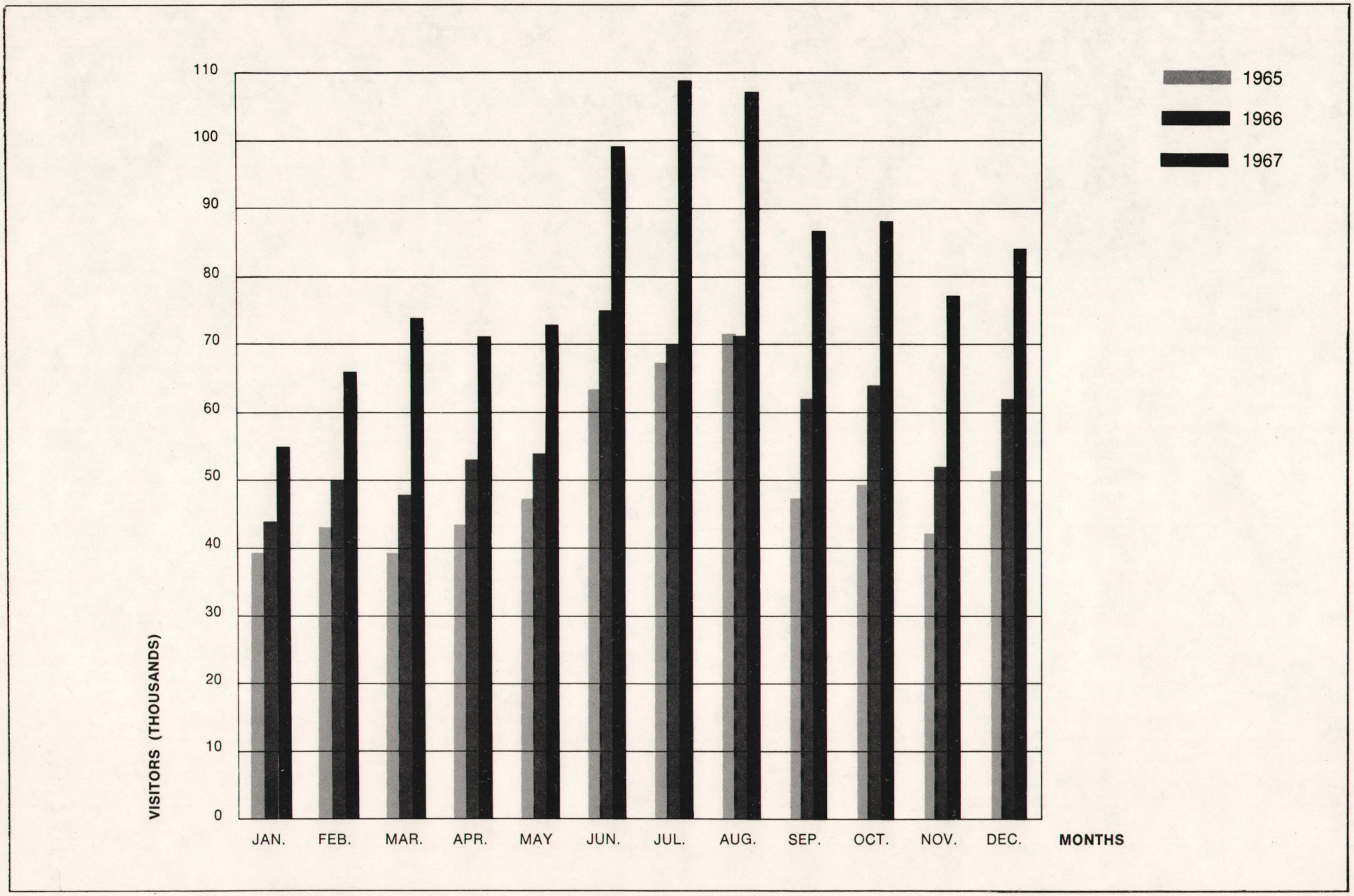
2. A cessation of hostilities in Vietnam producing a reduction in the Rest and Recuperation Program.

3. The menace of inflation, costlier money and tighter credit could reduce the number of potential travelers.

Seasonal Variation of Visitors

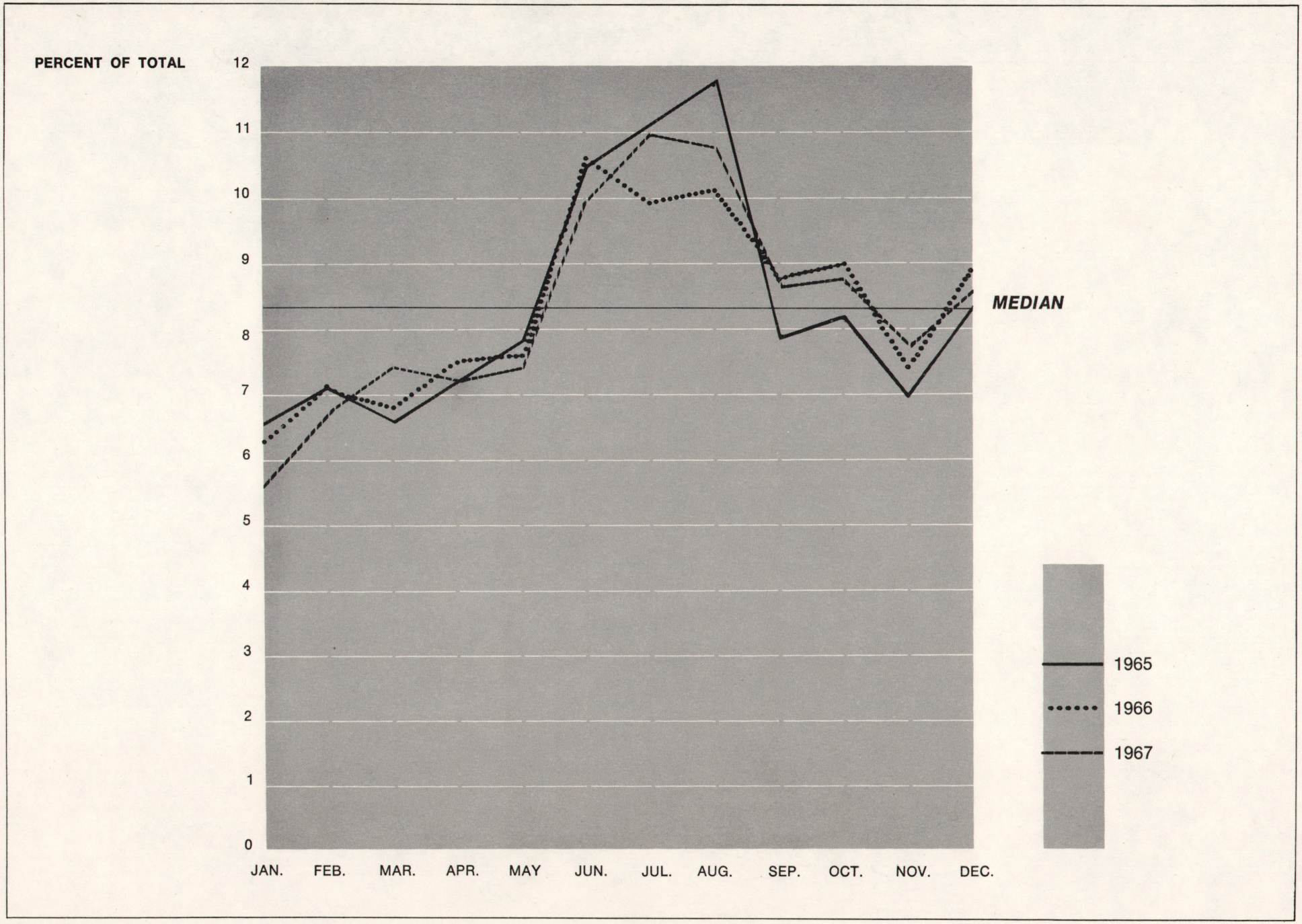
The graphic illustrations which follow reflect by number and percentages the monthly overnight or longer visitors to Hawaii for the years 1965 through 1967. The increase in total numbers of visitors has increased during all three years; however, during several months of each of these years the percentage of visitors is well below the median.

VISITORS TO HAWAII STAYING OVERNIGHT OR LONGER



Prepared by Harris, Kerr, Forster & Company

VISITORS TO HAWAII STAYING OVERNIGHT OR LONGER STATED MONTHLY AS PERCENTAGES OF TOTAL



Prepared by Harris, Kerr, Forster & Company

Visitors to the Neighbor Islands

The outstanding trend of the present decade is the extension of visitor activity to the Neighbor Islands. Although the percentage of visitors planning Neighbor Island trips has declined in recent years, the total number of visitors going to the Neighbor Islands has increased. The seeming contradiction undoubtedly results from the military Rest and Recuperation Program. These servicemen and their families have only six days in Hawaii, most of which is spent at Honolulu, their destination point.

Intended visitors to the Neighbor Islands over the past ten years as indicated by westbound visitors has been as follows:

Year	Neighbor Island [11] Visitors	Percentage Increase over Previous Year	Percentage of All Visitors to Hawaii
1958	84,974		49.5%
1959	113,976	34.1%	46.9
1960	116,227	2.0	39.2
1961	106,575	(8.3)	33.3
1962	210,070	97.1	58.0
1963	304,740	45.1	71.0
1964	391,085	28.3	76.9
1965	493,195	26.1	81.4
1966	536,880	8.9	75.6
1967	748,670	39.4	74.7

Percentage Increase 1958 to 1967 (10-year period)	781.1%
Percentage Increase 1963 to 1967 (5-year period)	145.7%

The Island of Maui, which is in the same county as Molokai, has enjoyed greater increases over the last five years than have the Neighbor Islands as a group. The increases are as follows:

Year	Visitors [11] to Maui	Percentage Increase over Previous Year	Percentage of All Neighbor Island Visitors
1963	98,320	57.5%	32.3%
1964	130,795	33.0	33.4
1965	167,665	28.1	34.0
1966	183,395	9.3	34.2
1967	263,050	43.4	35.1

Percentage Increase 1963 to 1967 (5-year period)	328.9%

[11]Hawaii Visitors Bureau Neighbor Island Studies, July, 1968

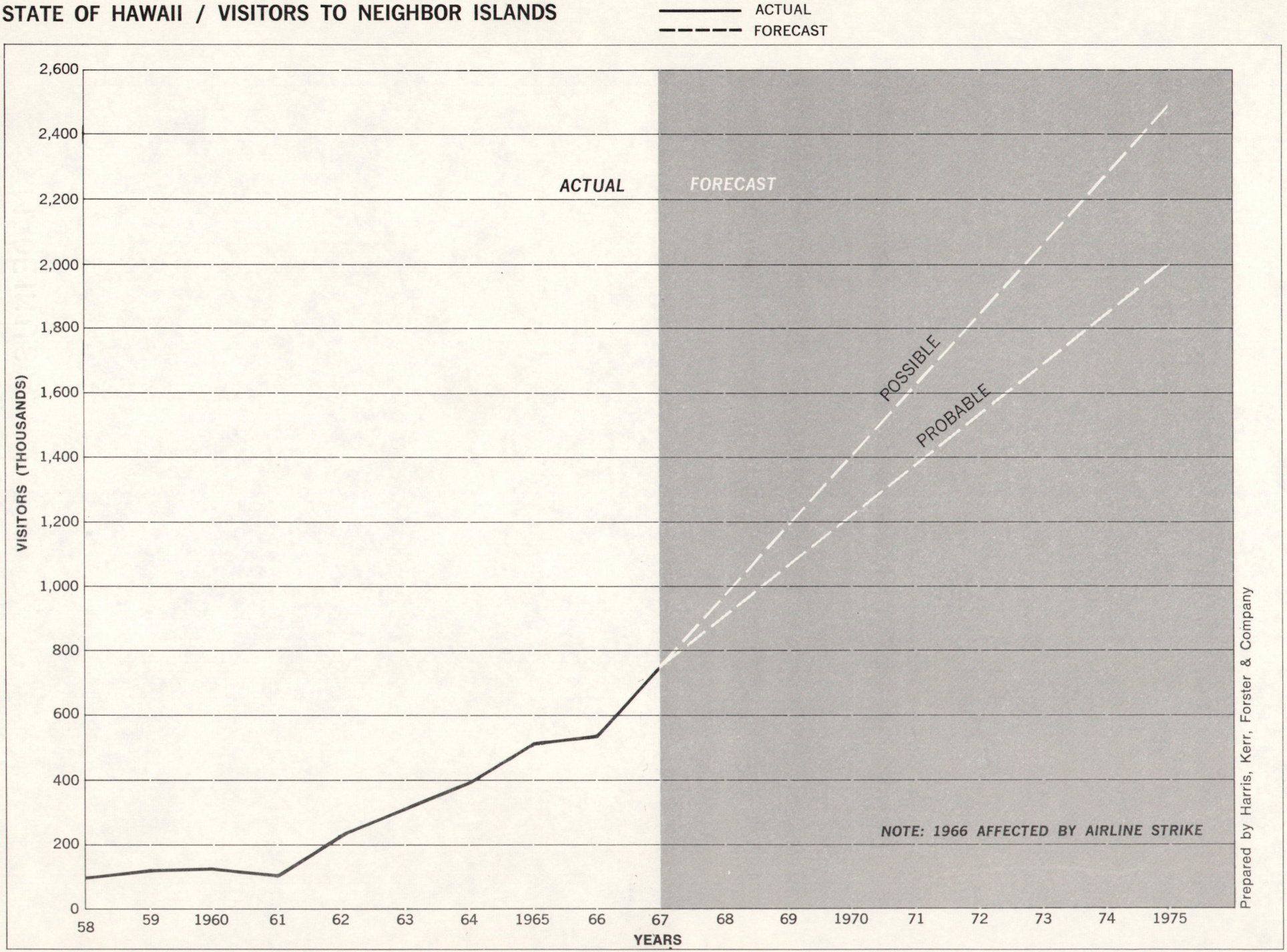
The trend of increased numbers of visitors to the Neighbor Islands is continuing in 1968, as follows:

Month	Visitors	Percentage Increase Over Previous Year
January	51,240	37.1
February	74,005	37.6
March	70,015	35.3
April	69,155	28.8
May	75,685	45.4
June	107,380	36.8
Total	447,480	36.5

For the first six months of 1968, a total of 80.4% of visitors to Hawaii traveled to the Neighbor Islands, which indicates the possibility of a change in the trend of decreasing percentages of Neighbor Island visitors as previously discussed.

The following graphic illustration relates actual Neighbor Island visitors from 1958 through 1967 to forecasts of visitors through 1975.

STATE OF HAWAII / VISITORS TO NEIGHBOR ISLANDS



Available Hotel Facilities In Hawaii

The Hawaii Visitors Bureau prepared a census of available hotel rooms in Hawaii as of mid-1968. Although there may be some discrepancies in the listing, our analysis indicates that it includes a substantial portion of the available accommodations at the present time.

According to the count, the number of rooms available coupled with those planned for which completion dates are set as of July, 1968, are as follows:

Island	Rooms[12] Available	Additional Units[12] Planned with Announced Completion Dates	Total Rooms Available and Planned
Oahu			
Waikiki	12,731	7,383	20,114
Other	1,852	930	2,782
Total Oahu	14,583	8,313	22,896
Neighbor Islands			
Maui	2,108	745	2,853
Hawaii	2,222	1,844	4,066
Kauai	1,558	3,132	4,690
Molokai	123		123
Lanai	10		10
Total Neighbor Islands	6,021	5,721	11,742
Totals	20,604	14,034	34,638

The count of available rooms, particularly with respect to the apartment hotels, should be considered an approximation.

[12]Hawaii Visitors Bureau, Visitor Plant Inventory, July, 1968.

The number of rooms available in the State of Hawaii has shown a substantial increase in recent years. Between 1961 and 1968, there has been an increase of 10,411 such rooms within the State. Of this total, 4,548 or 44% of the rooms have been added on the Neighbor Islands. The following is an analysis of the changes during this period:

	Number of Rooms[13]		Increase in Rooms	
	1961	1968	Number	Percentage
Waikiki	7,753	12,731	4,978	64.2
Other Oahu	967	1,852	885	91.5
Neighbor Islands	1,473	6,021	4,548	308.8
Total	10,193	20,604	10,411	102.1

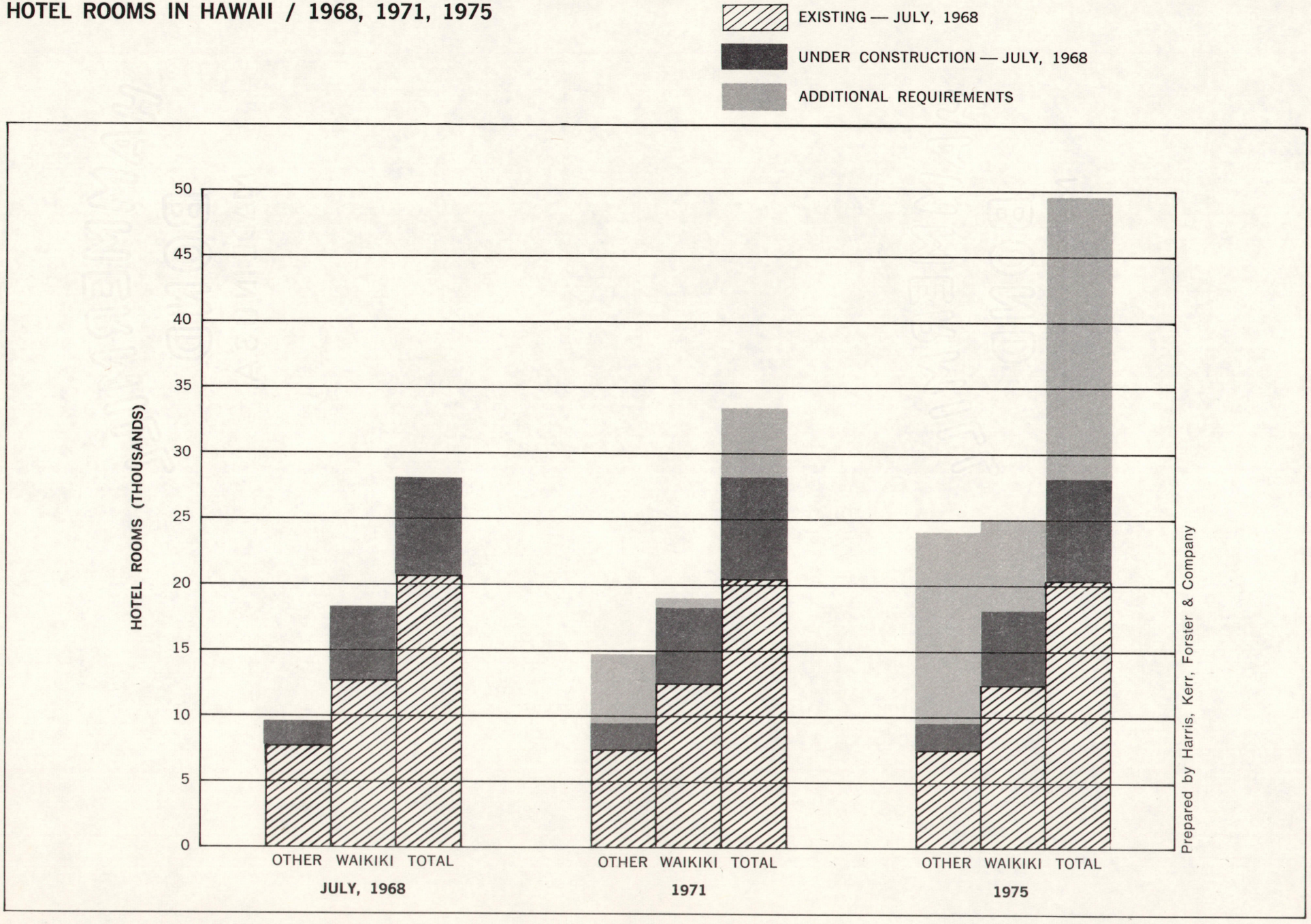
Relationship of Visitor Arrivals To Available Hotel Rooms

Room demand in Hawaii prior to 1955 increased at a relatively moderate rate. There were few hotel rooms in the islands in 1945 and few additions were made during the ensuing ten years. With the advent of jet travel between 1955 and 1960, demand for accommodations increased dramatically. A vacation in Hawaii proved to be economical in both time and money, especially for the West Coast resident. Despite a building boom which has added over four times the number of rooms available in 1955, demand has surpassed the supply.

The Hawaii Visitors Bureau Long-Range Planning Committee projections show a need to increase hotel rooms from 20,604 available in July, 1968, to over 40,000 by 1975. Of the total rooms required, we have projected that 25,000 should be located in Waikiki and 24,600 in the remainder of the state. This relationship is illustrated graphically on the following page.

[13]Op. Cit., Hawaii Visitors Bureau

HOTEL ROOMS IN HAWAII / 1968, 1971, 1975



Hotel Occupancy on the Neighbor Islands

The success Hawaii has had since 1955 in promoting the state as a year-round tourist attraction has helped to increase occupancy levels in all areas. Occupancy on the Neighbor Islands has been as follows:

Year	Occupancy
1964	68.0%
1965	68.2
1966	67.1
1967	72.8

For the first six months of 1968, occupancy has equalled approximately 75%. The least active months on the Neighbor Islands have been January, April, November and December; whereas, February, July and August have been peak months. Typical seasonal fluctuations in occupancies in 1964 and 1967 indicate the variations clearly.

Seasonal Variation in Hotel Occupancy
by Months - Neighbor Island Hotels

	1964	1967
Average Occupancy for Period [14] (Base of 100)	68.0	72.8
Monthly Occupancies (Expressed as a percentage of base)		
January	84	83
February	113	112
March	106	109
April	84	90
May	99	96
June	103	102
July	118	108
August	126	119
September	100	98
October	105	105
November	79	91
December	87	86

[14] Op. Cit., Hawaii Visitors Bureau.

Hotel Room Rates

Rates for accommodations on the Neighbor Islands are almost exclusively on the European Plan. The rate ranges, which cover a variety of rooms, suites and apartments, vary according to size, view, and general desirability. Generally, facilities which have an ocean view are rated at a premium over similar accommodations with other exposures.

Based on our analysis of the published rate structures of the hotels in which the Keawanui Hotel would be in competition, it is considered the rates will range from $16.00 to $26.00 per day. During the summer and winter season, most rates are expected to fall within the range. However, in the off seasons, the rates would probably fall near the lower levels of the range. Although Hawaii hotels do not generally change their rates seasonally, the same result is accomplished by upgrading guests during off seasons into rooms with higher rates than the guests are actually paying.

The rates currently prevailing in the principal Neighbor Island hotels are as follows:

	Number of Rooms	Published Rate Ranges[15] (European Plan) Single	Double
Island of Hawaii			
King Kamehameha (IH)	114	$16.00 - $31.00	$20.00 - $35.00
Hilo Hukilau	142	13.00 - 16.00	15.00 - 18.00
Kona Hilton	190	22.00 - 29.00	25.00 - 32.00
Kona Inn (IR)	264	16.00 - 24.00	20.00 - 28.00
Mauna Kea Beach	154	41.00 - 55.00*	51.00 - 65.00*
Naniloa (IR)	207	16.00 - 24.00	20.00 - 28.00
Island of Kauai			
Coco Palms (IH)	196	16.00 - 24.00	20.00 - 28.00
Kauai Surf (IR)	355	16.00 - 24.00	20.00 - 28.00
Poipu Beach (IH)	142	12.00 - 18.00	14.00 - 20.00
Prince Kuhio	99	13.00 - 24.00	14.00 - 24.00
Sheraton Kauai	150	15.00 - 17.00	18.00 - 20.00
Island of Maui			
Kaanapali Beach	160	22.00 - 29.00	25.00 - 32.00
Maui Hilton	236	18.00 - 29.00	21.00 - 32.00
Maui Palms	103	9.00 - 14.00	11.00 - 19.00
Royal Lahaina (IH)	265	19.00 - 27.00	22.00 - 30.00
Sheraton Maui	231	20.00 - 26.00	23.00 - 29.00
Maui Hukilau	93	13.00 - 16.00	15.00 - 18.00
Island of Molokai			
Molokai	52	17.00 - 23.00	20.00 - 25.00
Seaside Inn	33	6.00	8.00
Puu-O-Hoku Lodge	34	50.00*	68.00*

IH -- Operated by Island Holidays
IR -- Operated by Inter-Island Resorts

*American Plan Only.

Note: Quotations for suites excluded.

[15]Hawaii Visitors Bureau, Hawaii Hotel Guide, 1968.

CORRECTED
FEB 6 1939
FEB 8 1939
FEB 9 1939
FEB 11 1939
NOV 20 1939
APR 13 1946
MAY 7 1946
JUL 1 1947
DEC 7 1949
OCT 18 1950
DEC 1 1950
JAN 2 1951
JAN 15 1952
JAN 22 1952
JAN 30 1952
JAN 2 1957
AUG 7 1958
FEB 4 1960
FEB 26 1960
JUL 10 1969
FEB 26 1971
JUL 12 1971
JUL 12 1971
JUL 15 1971

Dwg No.: 2099
By: W.C.H. 6/1/34
Source: Tax Maps Bureau

Revised to:

A69-216
PUAAHALA CO.

KAAMOLA, MOLOKAI

True North
1" = 200'

Grant 1141

Owners of Parcel 24:
Magoon Est., Ltd., }
William K. Lukela, Jr } M/C

William, Alfred, & Hannah Iokama, & Gabriel K., Minerva, Elizabeth, Robert, Alvin, Winona, & Barbara J. Kalaluhi, & Rachael Puailihau, Edith K. Wong, & Grace Maliikapu - 1/4 - M/C

Annie, Miriam, Mary P.
Mary K. & George Aola, Jr - 1/4 - M/C

PLAT 06

11	L.C. Aw. 240 X. Ap. 2		Solomon Hennessey	8.39 Acs.
10	L.C. Aw. 3991 Ap. 3		Hattie K. Mason	10.13acs
9	L.C. Aw. 240 V. Ap. 2	Annie, Miriam, Mary P. Mary K. & George Aola Jr. -1/4 - M/C	The Thacker Corp. - M/C Magoon Est. Ltd. - M/C	11.35acs.
8	Abigail K. Aiu, Dennis K. Kaloi, Cyril B.M. Kaloi, Helene K. Huddy, Frederick J.K. Kaloi, David K. Kaloi - C/O L.C. Aw. 240 U Ap. 3		K. Daniel Kaloi - 3/8	9.73 Acs.
7	L.C. Aw. 240 S Ap. 2		Kakahuna Est.	8.32acs.
6	L.C. Aw. 240 Y Ap. 3		Moses Holani Edith K. Swan Mary K. Rodrigues T/C	9.16 Acs.
5	L.C. Aw. 240 W Ap. 3	Annie, Miriam, Mary P. Mary K. & George Aola, Jr - 1/4 - M/C	The Thacker Corp. - M/C Magoon Est. Ltd. - M/C	11.41acs.
4	L.C. Aw. 240 T Ap. 3		Charles R. Dement 4/1 Betsy Dement Rdm.	11.44acs.

Ld. Ct. App. 278

Abbie Welch Estate - 3/4
Elizabeth Kalaluhi Est - 1/16
Rachel W. Puilihau - 1/16
Edith K. Papalimu - 1/16
Grace H. Papalimu - 1/16

3	L.C. Aw. 146:8 Ap. 3			7.97 acs.
	Ld. Ct. App. 278		PLAT 06	
2	L.C. Aw. 4609 Ap. 3	Loretta Martin Rose Via Rose Aping - Dower		16.44 acs. (8.1 acs.)
1	L.C. Aw. 4924 Ap. 3			(8.34 acs.)

PLAT 06

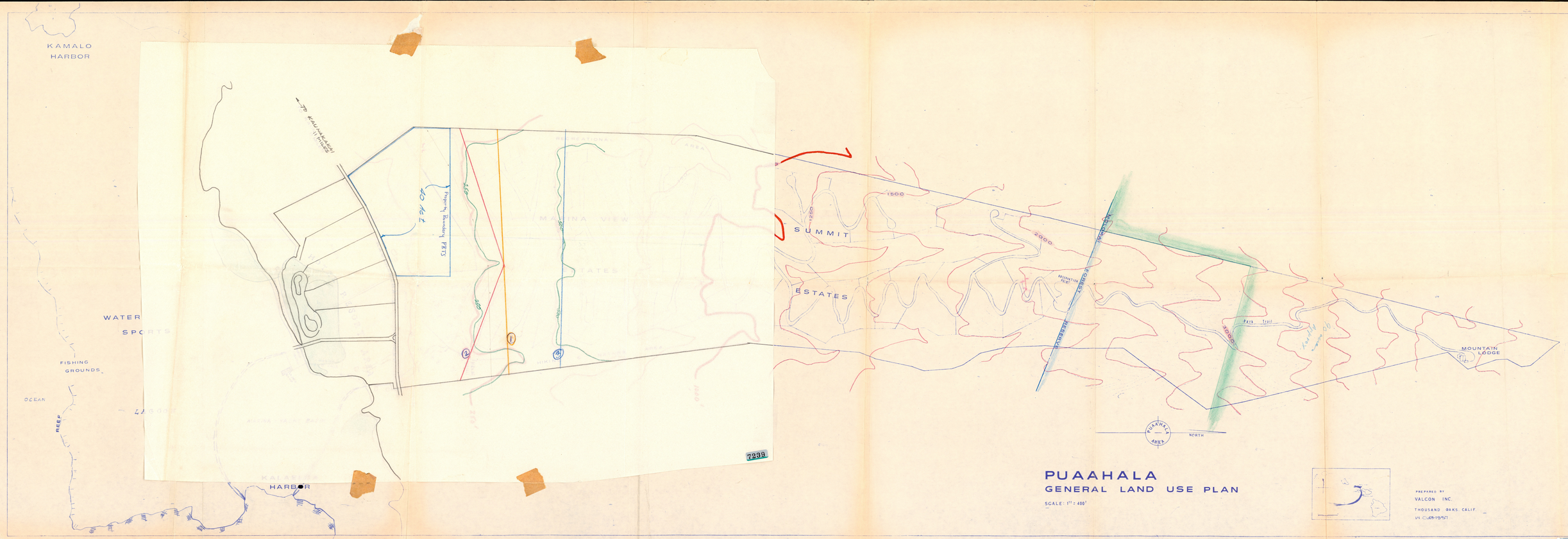
Barnice Halealkalani Est.
Gr. 1141
The Thacker Corp. 0.37 Ac.
The Thacker Corp. 17.2 Ac.±
Grant 1141
The Thacker Corp. 0.15 Ac.±
Hattie K. Mason 0.325 Ac.
Kainaohe Fish Pond
0.42 ac. L.C. Aw. 240-U Ap. 1
0.12 ac.
Kakahuna Est.
Solomon Hennessey 0.17 Ac.
The Thacker Corp. 0.6 Ac.±
(Moses Holani
Edith K. Swan
Mary K. Rodrigues 0.19 ac. T/C
0.51 ac. L.C. Aw. 240-X Ap. 1
See Above for owners
Annie Miriam, Mary P. Mary K. & George Aola, Jr. -1/4-M/C Magoon Est. Ltd. - M/C
The Thacker Corp. - M/C
William K. Lukela - M/C
The Thacker Corp. 2.35 Ac.± Gr. 1141
0.25 ac.
Charles R. Dement - 4/1 Betsy Dement Rdm.
Hattie K. Mason 0.11 Ac.
Charles R. Dement - 4/1 Betsy Dement - Rdm.
Josephine Mersberg - decd - M/C John K. Perreira & Wf. Margaret K. 1/4 - M/C.
0.85 ac.
Magoon Est. Ltd. - M/C
William K. Lukela - M/C
Annie, Miriam, Mary P. Mary K. & George Aola, Jr - 1/4 - M/C
Josephine Kalilikane
Jam Kalilikane
James K. Kalilikane
Sarah M. Kalilikane
William K. Kalilikane 1/4
John K. Kalilikane
Ronald K. Kalilikane
Eleanor K. Kalilikane
0.25ac.
Kalaamala 0.08ac. L.C. Aw. 146-B:1
Abbie Welch Estate - 3/4
William, Alfred, & Hannah Iokama, & Gabriel K., Minerva, Elizabeth, Robert, Alvin, Winona & Barbara J. Kalahui, & Rachael Puilihau Edith K. Wong, & Grace) Maliikapu
1/4
Govt. Main Road
Rose A.K. Aping
(Ld. Ct. App. 278 (11.56 Acs±) (35.5 Acs±) F) 47.06 acs± Net
Kalaamala 1a-0.46ac. L.C. Aw. 146-B:2
Paialoa Fish Pond (Ld. Ct. App. 278) (35.5 acs±)
SEA
L.C. Aw. 4924:1
L.C. Aw. 4609:1
L.C. Aw. 5026-B:1
Parcels Dropped: 2, 5
NOTICE: Owner's, lessee's and vendee's names may not be current. Recorded on this tax map per Administrative Directive 24-06 dated November 21, 1956.
Ex 43 Proj 14

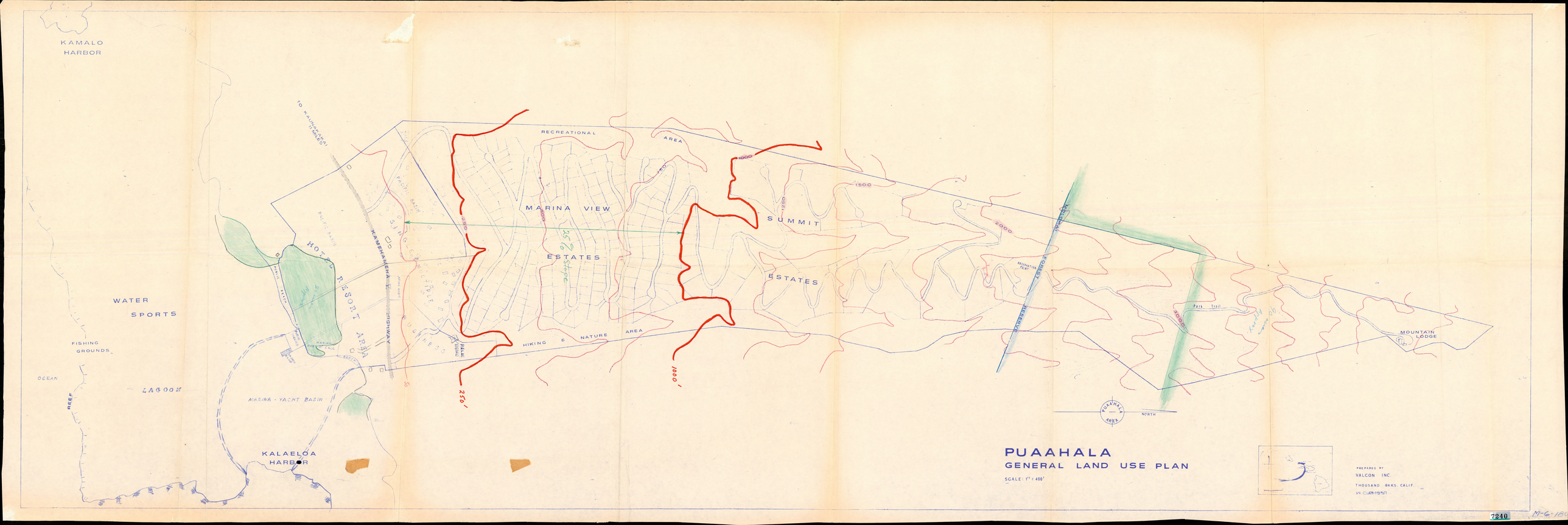
SECOND		DIVISION
ZONE	SEC.	PLAT
5	6	05
CONTAINING		PARCELS
SCALE: 1 in. = 200 ft.		

ADVANCE SHEET
SUBJECT TO CHANGE

PRINTED MAY 7 1969

7238


KAMALO HARBOR
WATER SPORTS
FISHING GROUNDS
OCEAN
REEF
KALAVIKA HARBOR
MARINA VIEW ESTATES
SUMMIT ESTATES
RECREATIONAL AREA
Property Boundary PBTS
40 Ac ±
1500
2000
3000
Park Trail
MOUNTAIN LODGE
NORTH
PUAAHALA AREA
7239
PUAAHALA
GENERAL LAND USE PLAN
SCALE: 1" = 400'
PREPARED BY
VALCON INC.
THOUSAND OAKS, CALIF.
7240


KAMALO HARBOR
TO KAUNAKAKAI 11 MILES
RECREATIONAL AREA
MARINA VIEW ESTATES
SUMMIT ESTATES
HOTEL RESORT AREA
KAMEHAMEHA V HIGHWAY
PACIFIC BASIN
SINGLE MULTIPLE BUSINESS
WATER SPORTS
FISHING GROUNDS
OCEAN
REEF
LAGOON
MARINA - YACHT BASIN
KALAELOA HARBOR
HIKING & NATURE AREA
MOLOKAI FOREST RESERVE
Park Trail
MOUNTAIN LODGE
NORTH
250'
1000'
PUAAHALA AREA
PUAAHALA
GENERAL LAND USE PLAN
SCALE: 1" = 400'
PREPARED BY
VALCON INC.
THOUSAND OAKS, CALIF.
7240

One Firm Owns Molokai Lagoon

SB Aug 19, 1970

By Carl Wright
Star-Bulletin Writer

Pacific Basin Land Co. has acquired Puaahala Co.'s remaining acreage at Ualapue, Molokai, and now owns the entire 770 acres scheduled for development as Molokai Lagoon.

Willis Andersen Jr., president of Pacific Basin Land, said previously announced plans for the development will now be carried out under single integrated ownership and control.

Of the overall 770 acres, 183 were rezoned for urban use last year.

Long-range plans for the acreage call for the development of resort hotels, condominiums, recreational facilities and residence property.

THE 587 ACRES of unzoned mauka land is currently under study by Belt, Collins & Associates as a possible mountain park.

As part of the sales transaction, Pacific Basin Land also acquired Puuahala Co.'s marina lease.

This consists of offshore, underwater lands with an area of 108 acres leased from the State of Hawaii for marina purposes.

Fee lands consist of the former Rose Aping property, located approximately 10 miles east of Kaunakakai, originally purchased on an agreement of sale by Puuahala Co., a California firm.

PACIFIC BASIN LAND took an option on 80 acres of the property in June 1969, and exercised the option last November following Puuahala's success in securing urban zoning on part of the property.

Andersen said his company's total acquisition costs for the entire 770 acres are in excess of $2 million.

Molokai Lagoon will be developed by Pacific Basin Travel Systems Corp., the parent firm of Pacific Basin Land.

Current work on the site is largely limited to a dredging operation which is filling in an old fish pond to create waterfront land.

THIS PHASE of the project is expected to require another six months to complete, according to Andersen.

Pacific Basin Travel Systems Corp. previously announced its own plans to build a 250-room hotel, to be known as the Molokai South Seas Resort, as part of the overall development.

Preliminary planning for the offshore marina, to be operated by Pacific Basin Travel Systems, is now under way by Belt, Collins and Associates and by Bechtel Corp.

Discussions are also under way which may lead to the establishment of a major, championship-caliber tennis and racquet club facility at the project, according to the developers.