

A79-454 - AMFAC, INC. (MAUI) - (EXHIBITS)

PETITIONER

BEFORE THE LAND USE COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Petition ) ) of ) ) AMFAC, INC., for a Petition ) to amend the District ) boundary of property situate ) at Lahaina, Island and ) County of Maui, State of ) Hawaii. ) _____ )	DOCKET NO. <u>A79-454</u>  (AMFAC, INC.)
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LAND USE COMMISSION  
 STATE OF HAWAII  
 SEP 24 4 20 PM '79

PREPARED TESTIMONY OF  
 STEPHEN MACMILLAN  
 PROJECT MANAGER  
 AMFAC COMMUNITIES - MAUI,  
A DIVISION OF AMFAC, INC.

My name is Stephen MacMillan. I have a degree in architecture, but work in land planning and development. I am employed by Petitioner as a Project Manager for Amfac Communities - Maui. I am responsible for land planning and management of development projects and real property owned by Petitioner or any of its subsidiaries on the Island of Maui. My responsibilities include planning and managing for Petitioner the development of the Kelawea Mauka III Subdivision and the proposed extension of that Subdivision, the Kelawea Mauka III extension, referred to in my testimony as the "Project", which is the subject of boundary amendment Petition A79-454, as amended, referred to in my testimony as the "Petition". I have worked on planning for the Project and on agreements

DOCKET NO.	<u>A79-454</u>
PARTY	<u>Petitioner</u>
EXH. NO.	<u>I</u>
DATE IDENTIFIED	<u>10-3-79</u>
IN EVIDENCE	<u>10-3-79</u>
CLERK	<u>D. [Signature]</u>

with the County of Maui and the ILWU for employee housing in the Project.

I. Description of Project: Extension of Existing Residential Subdivision for Employee Housing

The Project site for which a boundary amendment is sought is identified by State of Hawaii Tax Map Key as: Second Division Tax Map Key 4-6-18: parcels 14 & 15, located in Lahaina, Maui. The Project site comprises 11.926 acres. As shown on the map offered into the record herewith as Petitioner's Exhibit "1", the Project site is located adjacent to the existing Urban District which includes the Kelawea Mauka III residential subdivision. The Project is an extension of the Kelawea Mauka III Subdivision eastward to Lahainaluna Road. All of the 11.926 acres of the Project site are presently within a State Agricultural District.

The Project site is owned by the Bishop Estate; however, it is under lease to Pioneer Mill Company, Limited, a wholly owned subsidiary of Petitioner, and as set forth in a letter to the Land Use Commission dated April 20, 1979, which is Exhibit "D" to the Petition, the Trustees of the Bishop Estate have agreed to sell the Project site to Petitioner and have authorized Petitioner to seek a State Land Use District boundary amendment for the Project site to place it in an Urban District. Petitioner plans to subdivide 8 acres of the 12 acre Project site into residential lots having a minimum lot size of 6,500 sq. ft., yielding 39 lots in the configuration set forth in the preliminary

development plan which is "Map 2" included in Exhibit "C" to the Petition. The exact lot size, and hence the exact number of lots and density in the Project, is subject to approval of Petitioner's subdivision plans by the County of Maui. The remaining 4 acres of the Project site, designated as "Proposed Park 4.0  $\pm$  Acres" on Map 2 in Exhibit "C" to the Petition, will be graded where feasible and planted with grass for use as a passive park and dedicated to the County of Maui.

The Project to be constructed by Petitioner will consist of 3-bedroom, single-family, detached dwellings as permitted in an R-1 zoning district under the zoning ordinance of the County of Maui. The houses will be of similar construction and design to those presently existing or under construction in the Kelawea Mauka I, II and III Subdivisions adjacent to the Project site and will use construction materials and techniques designed to produce sound homes while minimizing costs. Plans and specifications for housing units in the Project will be subject to review and approval by the County of Maui under an agreement for employee housing between Petitioner and the County of Maui.

The passive park has been designed to utilize a portion of the Project site which is irregular in topography and not otherwise developable. Much of the park site will be kept in natural grade; however, a portion of the park site will be graded and planted with grass prior to dedication to the County of Maui.

Petitioner's timetable for completing the Project is tied to approval of the Petition and subsequent governmental approvals which must be obtained from the County of Maui. Upon approval of the boundary amendment sought in the Petition, Petitioner will promptly apply for zoning and subdivision approval from the County of Maui. The Petitioner anticipates that construction of subdivision improvements can begin within one year of the Commission's approval of the boundary amendment sought in the Petition. The first units in the Project are expected to be ready for occupancy within one year of the start of construction.

Development costs for the Project are not known at this time. Petitioner is committed to using cost-saving construction techniques and materials in order to provide appropriately priced housing for employees of Pioneer Mill Company and the Kaanapali Beach Resort.

Under agreements with the County of Maui and the International Longshoremen's and Warehousemen's Union ("ILWU"), Petitioner is obligated to sell units in the Project and other units built in the initial phase of the Kelawea Mauka III Subdivision at a price to be set at no higher than two percent (2%) over Petitioner's cost.

Under these agreements, housing units in the Project will be included in a pool of housing units being constructed in the entire Kelawea Mauka III Subdivision, with fifty percent (50%) of the housing units in the pool to be offered first to ILWU members on a

"first right of refusal" basis pursuant to an agreement between the ILWU and Petitioner (see Exhibit "4" to Exhibit "C" to the Petition), and with the remaining fifty percent (50%) of the housing units in the pool offered as follows: twenty-five percent (25%) to employees of the Hyatt Regency Maui Hotel in satisfaction of the letter agreement of May 19, 1978, executed with the County of Maui, which is offered into the record herewith as Petitioner's Exhibit "2", and the remaining twenty-five percent (25%) to employees of the Marriott Hotel to be constructed in the Kaanapali Beach Resort area, pursuant to an agreement with the County of Maui which is presently being formalized.

All of the housing units in the Project will be developed and marketed in accordance with the agreements described above, which require that all housing units be sold at a price no higher than two percent (2%) over the Petitioner's actual development and construction costs as defined in Petitioner's Exhibit "2". Further, as set forth in Petitioner's Exhibit "2", all of the housing units in the Project must be conveyed subject to an "anti-speculation" repurchase option in favor of the County of Maui.

Under certain conditions, if a price equal to cost plus two percent (2%) exceeds what hotel employees are able to afford, Petitioner is required under its Agreement with Maui County set forth in Petitioner's Exhibit "2" to develop a rental program with an option to purchase, or some other program

to make affordable housing available to hotel employees as required in the letter agreement. However, as set forth in the letter agreement, Petitioner may sell units in the Project to the County at cost plus two percent (2%) in order to permit the County to administer such rental or sales program.

## II. Physical Data on the Site

### A. Drainage

The Project site is presently drained by the Pioneer Mill irrigation system which collects run-off on the site. Drainage for the Project will be integrated with the drainage system for the Kelawea Mauka III Sub-division. The Project site is not susceptible to flooding.

### B. Topography and Soils

The slope of the Project site ranges from 3% to 12%. The soils of the site are classified by the USDA Soil Conservation Service as "Wainee very stony, silty clay".

### C. Land Study Bureau Agricultural Suitability Index

The Land Study Bureau has classified the previously cultivated portion of the Project site as Class B land, considered "good" for agricultural production.

### D. Analysis of Preliminary Development Plans in Relationship to Topography

As illustrated on preliminary development plans for the Project which are filed with the Petition as "Map 2" in Exhibit "C" to the Petition, houselots have been concentrated in moderately sloping areas of the Project

site to maximize use of land and reduce the cost of construction. The irregular and steeper sloping portions of the Project site have been set aside for the passive park and open space use.

The Project site is similar in characteristics to the portion of the Kelaweia Mauka III Subdivision which is adjacent to the Project site and presently within an Urban District. Physical characteristics of the Project site do not present any hazards to life or property and will not interfere with development of the Project as presently planned.

### III. Demographic Data

The growth comparisons, shown in Table 1 offered into the record herewith as Petitioner's Exhibit "3", reflect the relative increases of 3 primary measures--visitors, population and employment--of the rate of growth of Maui County. The rapid growth in visitor traffic has generated new employment opportunities causing the population of Maui County to increase.

As shown on Table 2, offered into the record herewith as Petitioner's Exhibit "4", single-family homes authorized since 1970 have not kept pace with the increase in number of families. By the end of 1977, the shortfall was equal to about 3,000 units.

The shortage of housing on Maui is most sharply felt in the Lahaina District, the largest center of tourist-oriented employment on Maui. The absence of new, appropriately priced housing in the Lahaina District has created a serious shortage of housing

for workers in the Kaanapali and Lahaina areas. As a result, prices have risen and many persons employed in Lahaina and Kaanapali must reside in areas distant from their place of employment in order to find affordable housing.

The development of the Kelaweā Mauka III Subdivision, of which the Project will be a part, will help to alleviate Lahaina's critical housing shortage, lessen the pressure on existing housing and allow more people to live within a reasonable distance of their place of employment.

#### IV. Impact on Public Facilities and Services

The Project is a small extension of existing urban development, and as presently planned, will net only 39 additional households to the Project area; therefore, the impact of the Project on public facilities and services will be relatively insignificant. Existing or planned facilities and services are adequate to meet the additional demand generated. The County of Maui has concurred with this assessment in a letter addressed to the Commission which is offered into the record herewith as Petitioner's Exhibit "5". Discussion of the insignificant impact of the Project on specific areas of traffic flow, schools, sewers, parks, water, police and fire services, and sanitation and solid waste disposal are discussed in paragraphs B through G of Section IV of Exhibit "C" to the Petition. It should be noted with respect to traffic that Petitioner is widening Lahainaluna Road where it abuts the Project at Petitioner's expense.

V. Impact on Regional Resources

A. Environmental Impact

The Project will not have significant environmental impacts since it is a small addition to a larger residential subdivision in an area already planned and being developed for residential use. Further, one-third of the Project area will be used for passive open space, and a portion of this will be left in natural grade.

B. Impact on Agriculture

As set forth in the letter from Pioneer Mill Company, Limited, offered into the record herewith as Petitioner's Exhibit "6", the Project will not reduce agricultural production or the net acreage under cultivation by Pioneer Mill. Further, no "prime" agricultural land under the Land Study Bureau's classification of land for agricultural productivity, will be lost to urban use.

C. Recreational Resources

Capacity exists in recreational facilities in the Project area to meet demand generated by the Project. Further, the Project will include a four-acre park which will be dedicated to the County of Maui.

D. Historic Sites

No historic sites exist on the Project site.

E. Scenic Resources

Since the Project is a small increment to a larger development already under construction, it will not impact significantly on scenic vistas in the Lahaina area. The Project will be adjacent to existing urban residential development, including portions of the Kelaweā Mauka Subdivision and Lahainaluna School.

VI. Existing Adjacent Urban Areas and Employment Centers

As shown on Petitioner's Exhibit "1", the Project will be contiguous with an existing Urban District containing the Kelaweia Mauka III Subdivision. Further, the Project will be adjacent to Lahainaluna School and will have ready access to employment centers at Pioneer Mill, Lahaina and Kaanapali all of which are within a ten minute commute from the Project.

VII. Economic and Social Groups Considered

The Project is intended to provide housing for employees of Pioneer Mill Company, Limited and hotel employees at the Kaanapali Beach Resort. Many members of these groups would otherwise be unable to obtain affordable housing near their places of employment. Under its agreements with the ILWU and the County of Maui, Petitioner is obligated to deliver housing to ILWU members and certain hotel employees at a price not exceeding Petitioner's costs plus two percent (2%).

VIII. County General Plan Designation

As shown on the map which is filed with the Petition as "Map 3" in Exhibit "C" to the Petition, the Maui County general plan designates the Project area for residential and park use, the uses proposed by Petitioner. Petitioner's development plan has modified slightly the exact location and configuration of the respective uses within the Project site to better correspond to topographic and other site considerations; however, no amendment to the County general plan is required and the Project is consistent with the policies, planning and guidelines incorporated in the Maui County general plan.

IX. Project is Supportive of Long Range Planning for the Area

The Project is consistent with the Maui County general plan and is a logical extension of the Kelaweia Mauka III Subdivision now under development.

Approximately 400 acres of land are general planned for urban use by the County of Maui directly adjacent to the Project and south of Lahainaluna Road as set forth in "Map 3" in Exhibit "C" to the Petition.

The Project's development plans incorporate a portion of the general-planned Dickenson Street extension and provide for the widening of Lahainaluna Road where these access roads abut the property.

The Project is an action by the private sector, in cooperation with government and labor, which supports themes, goals, objectives and policies of the Hawaii State Planning Act, Chapter 226 of the Hawaii Revised Statutes, as amended. Specifically, the Project is strongly supportive of the following:

(1) objectives and policies for fostering agriculture under §226-7 by providing housing for plantation workers;

(2) objectives and policies for support of the visitor industry under §226-8, especially §226-8(b)(4) which calls for public/private cooperation in the development of visitor destination areas;

(3) objectives and policies for protecting the physical environment, especially §226-13(b)(7) which calls for locating

new development in proximity to existing urban areas;

(4) objectives and policies for sociocultural advancement - housing, especially §226-19(b)(2) which calls for increasing opportunities for low and moderate income groups to obtain affordable housing and §226-19(b)(5) which calls for planning new housing in connection with access to and needs of existing urban areas; and

(5) "priority directions" and "implementing actions" in connection with population growth and distribution, especially §226-104(a)(4) calling for the provision of adequate housing without fostering a population influx, §226-104(c)(2) providing for concentrating population in urban areas, and §226-104(c)(7) calling for private sector participation in providing infrastructure, and open spaces.

In conclusion, the Project represents the type of private industry, labor and governmental cooperation in problem solving which is often sought but seldom achieved. The Petition and supporting materials filed therewith and this testimony provide the facts, data, and other information required by the Commission's Rules of Practice and Procedure, Part VI, Section 6-22. As demonstrated by the evidence set forth in this Petition and the materials filed therewith and in this testimony:

(i) the Project site meets the standards applicable to boundaries for the Urban District set forth in the

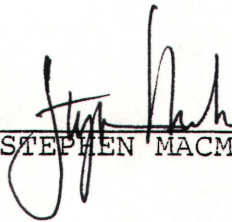
Commission's District Regulations, Part II, Section 2-2(1), (a) through (h), inclusive; and (ii) the boundary amendment sought in the Petition is reasonable, not violative of Section 205-2, Hawaii Revised Statutes, as amended, and is consistent with and strongly supportive of the Hawaii State Planning Act, Chapter 226 of the Hawaii Revised Statutes, as amended.

DATED: Honolulu, Hawaii September 24, 1979 .

  
STEPHEN MACMILLAN

STATE OF HAWAII )  
CITY AND COUNTY OF HONOLULU ) SS:  
~~XXXXXXXXXXXX~~ )

STEPHEN MACMILLAN, being first duly sworn, deposes and says: That he is a Project Manager for Amfac Communities - Maui, a division of AMFAC, INC., the Petitioner in the above proceeding; that he has read the foregoing application, and knows the contents thereof; and that the same are true of this own knowledge except as to matters stated on information or belief, and that as to those matters he believes them to be true.

  
\_\_\_\_\_  
STEPHEN MACMILLAN

Subscribed and sworn to before me this  
24<sup>th</sup> day of September, 1979.

Victoria S. Huihooe  
Notary Public, State of Hawaii

My commission expires: 4-10-81

CERTIFICATE OF SERVICE

I hereby certify that a copy of the within prepared statement was duly served upon the following by mailing the same, postage prepaid, certified mail, on September 24, 1979 addressed as follows:

Director  
Department of Planning and  
Economic Development  
250 South King Street  
Honolulu, Hawaii 96813

Planning Commission  
City and County of Honolulu  
Honolulu Municipal Building  
650 South King Street  
Honolulu, Hawaii 96813

Department of General  
Planning  
City and County of Honolulu  
Honolulu Municipal Building  
650 South King Street  
Honolulu, Hawaii 96813

Planning Commission  
County of Hawaii  
25 Aupuni Street  
Hilo, Hawaii 96720

Planning Department  
County of Hawaii  
25 Aupuni Street  
Hilo, Hawaii 96720

Planning Commission  
County of Maui  
200 South High Street  
Wailuku, Maui 96793

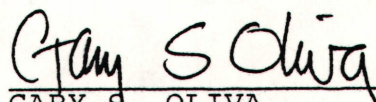
Planning Department  
County of Maui  
200 South High Street  
Wailuku, Maui 96793

Planning Commission  
County of Kauai  
4280 Rice Street  
Lihue, Kauai 96766

Planning Department  
County of Kauai  
4280 Rice Street  
Lihue, Kauai 96766

Bishop Estate  
Suite 200  
Kawaiahao Plaza  
567 South King Street  
Honolulu, Hawaii 96813

DATED: Honolulu, Hawaii, September 24, 1979.

  
GARY S. OLIVA



AMFA INC.  
700 BISHOP STREET  
P.O. BOX 3230  
HONOLULU, HAWAII 96801  
TELEPHONE: (808) 546-8111

May 19, 1978

County of Maui  
Planning Commission of  
the County of Maui  
Wailuku, Maui, Hawaii 96793

Attention: Mr. Paul R. Mancini, ○  
Corporation Counsel

Gentlemen:

At a regular meeting of the County of Maui Planning Commission ("Planning Commission") on November 22, 1977, a public hearing was conducted relative to Mr. Christopher B. Hemmeter's application for a Shoreline Management Act Permit ("Permit") to construct a resort hotel to be known as the "Hyatt Regency Maui" ("Hotel"), on approximately 18 acres of real property identified as Tax Map Key 4-4-06:31, Kaanapali, Maui. The Permit was unanimously approved by the Planning Commission subject to certain conditions. One such condition ("Condition 7 of the Report") established by the Planning Commission appeared as Paragraph 7 of the "Staff Report" dated November 22, 1977, prepared by the County of Maui Planning Department's staff, as revised by letter dated December 2, 1977, from Mr. Tosh Ishikawa, County of Maui Planning Director, to Mr. Christopher B. Hemmeter; this condition provides as follows:

"7. That the applicant or the landowner of the project site submit to the Planning Commission prior to commencement of construction a firm and definitive commitment to provide appropriately priced housing to and for employees of the project at Kaanapali."

In satisfaction of this condition to provide the Planning Commission with a firm and definitive commitment to provide appropriately priced housing for employees of the Hotel, Amfac, Inc. ("Amfac"), landowner, and Hemmeter Maui Development Company ("Hemmeter"), applicant, hereby covenant and agree with the Planning Commission and County of Maui as follows:

1. SCOPE OF PROJECT:

Amfac shall construct at the location set forth in paragraph 2 below, at the cost set forth in paragraph 3 below, and according to the timetable set forth in paragraph 4 below, an initial increment ("Increment I") of twenty-five (25) detached, single-family residences to meet the housing demand created by the employees of the Hotel.

In the event that the post-completion survey specified in Paragraph 5 identifies an additional housing demand created by employees of the Hotel, Amfac shall construct a second increment ("Increment II") of detached, single-family residences to meet the additional demand so specified in accordance with the terms and conditions of this letter agreement; provided that Increment II shall in no event exceed fifty (50) units.

Hemmeter covenants that the development and operation of the Hotel will create a new housing demand in the Kaanapali and Lahaina area of not more than seventy (70) units. Hemmeter further covenants and agrees that it shall not hire more than seventy (70) individuals who will at the time of being hired, require housing in the Kaanapali and Lahaina areas of Maui. In the event that the seventy-five (75) units from Increments I and II are insufficient to meet the demand identified by the survey, Hemmeter shall construct at a location as set forth in paragraph 2 below, at the cost set forth in paragraph 3 below, and according to the timetable set forth in paragraph 4 below a third increment ("Increment III") of detached, single-family residences to meet the additional demand so specified, provided that Increment III shall in no event exceed sixty-five (65) units.

Construction and completion of Increment I, and Increments II and III, if required, shall be conclusively presumed to satisfy "Condition 7 of the Report" and to meet the entire housing demand created by employees of the Hotel.

2. LOCATION OF PROJECT:

Increment I shall be constructed on a portion of that real property ("Property") identified by Tax Map Keys 4-5-15:01 and 4-6-18:14, Lahaina, Maui, to be part of a subdivision

known as "Kelawea Mauka III" and further identified in red on the maps attached as Exhibit "A" hereto.

In the event Increment II must be built pursuant to the terms of this letter agreement, Increment II shall also be constructed on a portion of that real property ("Property") identified by Tax Map Keys 4-5-15:01 and 4-6-18:14, Lahaina, Maui, to be part of a subdivision known as "Kelawea Mauka III" and further identified in red on the maps attached as Exhibit "A" hereto.

In the event Increment III must be built pursuant to the terms of this letter agreement, Hemmeter shall, within 90 days of determination of such need by the post-completion survey, identify and select a location of sufficient size to accommodate the number of units deemed necessary which comprise Increment III, and appropriately zoned to permit the development of Increment III. If development of Increment III requires real property be removed from agricultural use so that the growing of sugar cane must be curtailed, Hemmeter covenants and agrees that the Increment III property shall be replaced "acre for acre" with land equal in area to the property removed from agricultural use.

3. COST OF PROJECT:

Total cost of the project (Increment I, and Increments II and III, if required) will be largely dependent upon subdivision requirements under the Subdivision Ordinance of the County of Maui, as well as such standard development costs as design and engineering, labor, equipment and materials. Amfac and Hemmeter, subject to the terms and conditions of this letter agreement hereby undertake to provide "appropriately priced" detached, single-family residential housing the plans and specifications for which shall be subject to the review and approval by the County of Maui, by delivering and marketing to employees of the Hotel such housing with a profit margin not to exceed two percent (2%) of the costs set forth below. Costs shall include: (a) actual cost of the property, as described in Exhibit "B", (b) on-site improvements, including without limitation streets, sidewalks, curbs, gutters, utilities; (c) off-site improvements, including without limitation streets, sidewalks, curbs, gutters, utilities, park dedication and landscaping, water reservoir; (d) direct construction costs of all improvements; (e) architectural and engineering fees; (f)

bond fees; (g) reasonable closing and processing costs, including without limitation, escrow and loan fees paid to outside agencies, insurance, legal costs of drafting deeds, pro rata share of real property taxes; (h) costs of financing at reasonable interest rates. Amfac's costs shall not include: (a) project management fees; (b) accounting; (c) appraisals, except where required by lending institutions for mortgages charged by the lender directly to the individual buyer; (d) market studies; (e) other overhead.

In the event that the units constructed for Increment I, and Increments II and III, if required, are priced such that these units are beyond what the employees of the Hotel requiring housing can afford to pay, Amfac, with respect to Increments I and II, and Hemmeter with respect to Increment III only, shall develop a rental program with an option to purchase, or such other program as shall accomplish the objectives set forth in Condition 7 of the Report, provided that Amfac and Hemmeter may sell their units to the County at cost (as defined above) plus two percent (2%), in order that the County may administer the rental or sales program for said units.

All units comprising Increments I, II and III shall be conveyed subject to the condition set forth in Exhibit "C" attached hereto and made a part hereof by reference.

4. TIMETABLE OF THE PROJECT:

Amfac shall, subject to the provision of force majeure set forth below, construct and complete Increment I within the following time limits:

a. Within 90 days of executing this letter agreement, Amfac shall apply to the County of Maui ("County") for preliminary plat approval pursuant to Section 11-1.6 of the Permanent Ordinances of the County of Maui 1971. (All succeeding section references are to the Permanent Ordinances.)

b. Within 30 days of tentative approval of the preliminary plat by the County pursuant to Section 11-1.8, Amfac shall prepare and submit to the County detailed drawings of the plat, construction plans and specifications, together with all necessary changes required by the County, in full compliance with all the requirements of the subdivision ordinance.

c. Within 15 days following approval of the drawings, construction plans and specifications by the

County pursuant to Section 11-1.12, Amfac shall apply for a grading permit.

d. Within 30 days of issuance of the grading permit by the County, Amfac shall mobilize its construction force and commence grading and construction of site improvements, provided that Amfac shall have not less than 120 days following tentative approval of the preliminary plat to commence such site construction so as to have sufficient time to prepare the construction proposal, solicit construction bids, review proposals, award the bid, negotiate with a contractor and finalize the contract and supporting documentation.

e. Within 360 days following commencement of construction of site improvements, Amfac shall complete the construction of site improvements.

f. Within 180 days following commencement of site improvements, Amfac shall, subject to approval by the County pursuant to Section 11-1.18, make application for building permits necessary to accomplish residential development in the subdivision.

g. Within 15 days of building permit approval, Amfac shall commence construction of residential buildings within the subdivision.

h. Amfac shall complete Increment I within twelve (12) months following commencement of building construction.

i. Amfac shall complete construction of Increment I, at which time the units will be available for occupancy, not later than 24 months from the date the agreement is executed, which period is exclusive of the time required for County approvals.

In the event that the post-completion survey specified in paragraph 5 below requires additional housing be constructed in addition to the twenty-five (25) units from Increment I, Amfac shall, subject to the provision of force majeure set forth below, construct and complete Increment II to the extent of the number of units required by the survey, which number shall not exceed fifty (50) units for Increment II within the following time limits:

(a) Within 90 days of the issuance of the written report containing the recommendation of the post-completion survey for the number of additional units required, Amfac shall make application for building permits for such units necessary to accomplish resi-

County pursuant to Section 11-1.12, Amfac shall apply for a grading permit.

d. Within 30 days of issuance of the grading permit by the County, Amfac shall mobilize its construction force and commence grading and construction of site improvements, provided that Amfac shall have not less than 120 days following tentative approval of the preliminary plat to commence such site construction so as to have sufficient time to prepare the construction proposal, solicit construction bids, review proposals, award the bid, negotiate with a contractor and finalize the contract and supporting documentation.

e. Within 360 days following commencement of construction of site improvements, Amfac shall complete the construction of site improvements.

f. Within 180 days following commencement of site improvements, Amfac shall, subject to approval by the County pursuant to Section 11-1.18, make application for building permits necessary to accomplish residential development in the subdivision.

g. Within 15 days of building permit approval, Amfac shall commence construction of residential buildings within the subdivision.

h. Amfac shall complete Increment I within twelve (12) months following commencement of building construction.

i. Amfac shall complete construction of Increment I, at which time the units will be available for occupancy, not later than 24 months from the date the agreement is executed, which period is exclusive of the time required for County approvals.

In the event that the post-completion survey specified in paragraph 5 below requires additional housing be constructed in addition to the twenty-five (25) units from Increment I, Amfac shall, subject to the provision of force majeure set forth below, construct and complete Increment II to the extent of the number of units required by the survey, which number shall not exceed fifty (50) units for Increment II within the following time limits:

(a) Within 90 days of the issuance of the written report containing the recommendation of the post-completion survey for the number of additional units required, Amfac shall make application for building permits for such units necessary to accomplish resi-

dential development in the subdivision.

(b) Within 15 days of building permit approval, Amfac shall commence construction of the number of residential units required by the survey.

(c) Amfac shall complete Increment II to the extent of the number of units required within twelve (12) months following commencement of building construction.

(d) Amfac shall complete construction of Increment II not later than 15 1/2 months from issuance of the written report containing the recommendation of the post-completion survey, which period is exclusive of the time required for County approvals.

In the event that the post-completion survey specified in paragraph 5 below requires additional housing be constructed, in addition to the seventy-five (75) units from Increments I and II, Hemmeter shall, subject to the provision of force majeure set forth below, construct and complete Increment III, to the extent of the number of units required by the survey, which number shall not exceed sixty-five (65) units for Increment III, within the following time limits:

a. Within 90 days of final determination by the post-completion survey specified in paragraph 5 below of the number of additional housing units required, Hemmeter shall select a location for Increment III pursuant to paragraph 2 above, and apply to the County for preliminary plat approval pursuant to Section 11-1.6 of the Permanent Ordinances of the County of Maui 1971. (All succeeding section references are to the Permanent Ordinances.)

b. The time limits set forth in subparagraphs b, c, d, e, f and g above pertaining to Increment I shall govern the development and construction of Increment III, it being understood that in the earlier referenced conditions only Amfac is identified, and for purposes of this reference such conditions as to Increment III are intended to be performed by Hemmeter.

c. Hemmeter shall, following commencement of building construction, complete the requisite number of

housing units as required by the post-completion survey, completing up to 25 houses every four months until the necessary number of houses is completed, which number shall not exceed sixty-five (65) units for Increment III. Increment III shall be completed within 16 months of commencement of building construction.

d. Hemmeter shall complete construction of Increment III, if required, not later than 28 months from the final determination by the post-completion survey, which period is exclusive of the time required for County approvals.

Force Majeure. If any performance or condition required to be completed by Amfac or Hemmeter under the terms of this agreement is delayed by war, earthquake, fire, flood or other similar disaster, by strike in the State of Hawaii or on the Island of Maui, or by general transportation or shipping strikes, or by strikes which affect the delivery of materials critical to the Project, which conditions are not within Amfac's or Hemmeter's control and are not Amfac's or Hemmeter's fault, then the time for the completion of such performance or such condition shall be extended by a time period equal to the duration of such delay.

5. Amfac and Hemmeter shall retain prior to the opening of the Hotel a research firm or research consultant subject to the approval of the County of Maui through its Corporation Counsel, to conduct with the assistance of the Hotel a survey subsequent to opening and commencement of operations by the Hotel in order to determine the additional housing demand, if any, created by the employees of the Hotel in accordance with criteria established and mutually acceptable to Amfac, Hemmeter and the County of Maui. The firm or consultant shall prepare a written report within 120 days following the opening of the Hotel which report shall recommend the total number of residential housing units necessary to meet the identified demand. Amfac and Hemmeter agree to meet the additional demand identified by the survey in accordance with the terms and conditions of this letter agreement. If Amfac, the County of Maui, or Hemmeter disagree with the conclusions of the survey regarding housing demand, the matter shall be settled by final, binding arbitration, pursuant to Exhibit "D".

6. It is expressly understood and agreed that the conditions and terms of this letter agreement are reasonable and relate to the public health, safety and welfare of the County of Maui, and that the County shall have the right to enforce this letter agreement by appropriate action at law or suit in equity.

7. If any provision of this letter agreement is held invalid, the other provisions of this letter agreement shall not be affected thereby. If the application of this letter agreement, or any of its provisions, to any person or circumstance is held invalid, the application of this letter agreement and its provisions to other persons or circumstances shall not be affected thereby.

Should the terms of this agreement be acceptable, please indicate your acceptance by signing in the space provided.

Very truly yours,

AMFAC, INC.

By W. Donald F. Oehlerson  
Its VICE PRESIDENT

By Barbara Wilson  
Its ASSISTANT SECRETARY

AND

HEMMETER MAUI ~~INVESTMENT~~ DEVELOPMENT COMPANY

By [Signature]  
Its Partner

By [Signature]  
Its Partner

APPROVED AND ACCEPTED:

COUNTY OF MAUI  
PLANNING COMMISSION OF THE COUNTY OF MAUI

By Paul R. Mancini  
PAUL R. MANCINI  
Corporation Counsel





LAND COSTS

The real property identified by Tax Map Key 4-5-15:01, comprising 65.358 acres, ("Parcel A"), was conveyed from Amfac, Inc. to Walter T. Shimoda on December 30, 1976, for a total purchase price of \$1,500,000.

The real property identified by Tax Map Key 4-6-18:14, comprising 11.931 acres, ("Parcel B"), is subject to an option to purchase, by the Kelawea Joint Venture, which option was exercised on May 18, 1978, for a total purchase price of \$460,000.

Parcel "A" and Parcel "B" constitute the real property portion of the subdivision to be known as "Kelawea Mauka III," which subdivision shall be comprised of a total of 77.289 gross acres, at a cost of \$1,960,000, (1,500,000 + 460,000), or an average Gross Land Cost of \$25,359.37/Acre or \$.58 per square foot (1,960,000 ÷ [77.289A x 43,560 square feet per acre]).

The "actual cost of the property" shall be the Net Land Cost, defined as the land cost of \$1,960,000 divided by the net useable acreage, and is impossible to determine at the time this letter agreement is executed inasmuch as the net useable acreage has yet to be established pending final subdivision approval and on-site development. Factors such as whether the County of Maui shall require property to be dedicated for public park use or other public purposes and the amount of property required, together with the amount of property necessary for streets, curbs, gutters and easements, will also affect the net useable acreage, and ultimately will be reflected in the Net Land Cost.

Upon establishment of the Net Useable Acreage, the Net Land Cost shall be calculated as follows:

$$\frac{\$1,960,000}{\text{Net Useable Acreage}}$$

REPURCHASE OPTION

(a) The County of Maui ("County") shall have the option to purchase the units if: Buyer, his heirs and/or assigns should within ten (10) years from the date of sale, decide to sell, assign, bargain, convey, lease or otherwise transfer or dispose of any interest in the units for other than security purposes. If the Buyer decides to take the action specified above, Buyer shall forthwith inform the County of said decision in writing, and the County shall have a reasonable period of time after receipt of such notice to exercise the repurchase option.

(b) If the Buyer has defaulted on his mortgage loan and the mortgagee has filed an action for foreclosure on the mortgage loan, the County shall have the right and option to pay the amount due to such mortgagee and reacquire the units. Said amount due shall be deemed the principal balance and interest still owing and any amount due to the Buyer shall be computed as set forth in subsection (c) hereinbelow; PROVIDED, HOWEVER, that if the County is required to pay any costs in addition to the amount due to the mortgagee in order to reacquire the premises, said costs shall be deducted from the amount due to the Buyer, if any. If there is no amount due to the Buyer, or such amount as is due is insufficient to cover fully said costs, the County may pay or absorb such costs and recover the same in any subsequent sale.

(c) The repurchase price to be paid upon the exercise of this option shall be the sum of the purchase price and the actual cost of any improvement(s) made after purchase, plus a return of seven per cent (7%) per annum, compounded annually, commencing on the date of the mortgage loan, on the difference between the said sum (purchase price plus cost of improvements) and the principal balance still owing on the mortgage loan as of the computation date; PROVIDED, HOWEVER, that if for any reason the sum of the principal balance still owing and the actual cost of any improvement(s) is greater than the sum of the purchase price and the actual cost of the improvement(s) made after purchase, the repurchase price shall not include any seven per cent (7%) return. The computation date shall be the date of the County's receipt of the notice. Where the computation date does not coincide with the date of the anniversary of the mortgage loan, the seven per cent (7%) return shall be prorated for any period less than one (1) year. Such proration shall be computed by multiplying the seven per cent (7%) rate by a fraction, the denominator of which shall be three hundred sixty-five (365) and the numerator of which shall be the number of days since the last anniversary date of the mortgage loan. The result of such multiplication shall then be applied to compute the return for the same period.

If the actual cost of the improvement(s) cannot be documented to the satisfaction of the County, the Buyer and the County shall retain the services of mutually agreed to building contractor, who shall determine the estimated cost of such improvement(s) as of the date said improvements were made. The expenses for such an estimation shall be borne equally by the County and Buyer. As used herein, the term "building contractor" shall mean a contractor, or other person, who is licensed by the State of Hawaii to construct the improvement(s) actually made.

## ARBITRATION

All matters of disagreement or dispute that may arise as a result of the survey which cannot be adjusted by the parties hereto, to their mutual satisfaction, shall be submitted to and determined by three (3) arbitrators in the manner prescribed below and pursuant to Chapter 658 of the Hawaii Revised Statutes, as the same is now or may from time to time be amended. (For purposes of this paragraph only, Amfac and Hemmeter shall constitute one party, and the County of Maui shall constitute the other party.) In any such case either party may give to the other written notice of the desire to so arbitrate the matter in question and shall appoint one arbitrator in such notice, whereupon the other party shall, within ten (10) days after receipt of such notice, appoint a second arbitrator, and in case of failure so to do, the party who has already named an arbitrator may request any Judge of the Circuit Court of the First Circuit of the State of Hawaii to appoint such second arbitrator, and the two arbitrators so appointed (in either manner) shall select and appoint a third arbitrator; in the event that the two arbitrators so appointed shall fail to select and appoint a third arbitrator within ten (10) days after the appointment of the second arbitrator, either party may request the appointment of the third arbitrator by any such Judge; the three arbitrators so appointed shall thereupon proceed to determine the matter in question, difference or disagreement, and the decision of any two of them within the range of the matter in issue shall be final, conclusive and binding upon both parties unless vacated, set aside or modified as provided by the statute aforesaid. The arbitrators

shall have the power and duties prescribed by said statute and judgment may be entered upon such award by the Circuit Court of the First Circuit of the State of Hawaii. Each party shall pay its own expense and its attorneys' fees (if any) but the compensation of the arbitrators shall be borne equally by both parties.

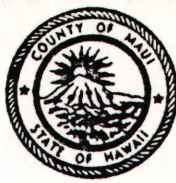
Table 1  
 Maui County-Growth Comparisons

Year	<u>VISITORS</u>		<u>POPULATION</u>		<u>EMPLOYMENT</u>	
	No.	% Increase	No.	% Increase	No.	% Increase
1970	447,985		46,600		18,700	
1971	554,799	23.8	48,200	3.4	19,100	2.1
1972	710,050	28.0	50,600	5.0	19,630	2.8
1973	766,791	8.0	51,700	2.2	20,640	5.1
1974	852,201	11.1	52,400	1.4	20,780	.8
1975	931,863	9.3	55,000	5.0	21,190	2.0
1976	1,110,726	19.2	57,500	4.5	23,800	12.3
1977	1,256,263	13.1	60,000	4.3	25,100	5.5

Table 2  
 Maui County-Change Comparisons:Families/Homes

Year	Population	Family Size *	Families	Change	Single Family Permits	Net Change	Cum Net Change
1971	48,200	4.3	11,209	+490	669	+179	+179
1972	50,600	4.2	12,047	+838	832	(6)	+173
1973	51,700	4.0	12,925	+878	845	(33)	+140
1974	52,400	3.5	14,971	+2,046	589	(1,457)	(1,317)
1975	55,000	3.1	17,732	+2,761	797	(1,964)	(3,281)
1976	57,500	3.1	18,548	+816	873	+57	(3,224)
1977	60,000	3.1	19,355	+807	1,008	+201	(3,023)

\*1971 estimated at 1970 census family size. 1975 Census estimate.  
 Other years extrapolated.



DEPARTMENT OF THE CORPORATION COUNSEL  
COUNTY OF MAUI  
WAILUKU, MAUI, HAWAII 96793  
TELEPHONE 244-7740

February 12, 1979

RECEIVED  
FEB 16 1979

AMFAC COMMUNITIES-MAUI  
KAANAPALI

Amfac, Inc.  
700 Bishop Street  
Honolulu, Hawaii 96813

Gentlemen:

Re: State Land Use District Boundary Amendment  
for 11.931 Acre Expansion of the Kelawea  
Mauka III Employee Housing Project

We have reviewed your preliminary plan for the proposed development of an approximately 12 acre extension of the Kelawea Mauka III Employee Housing Project. It is our understanding that development of this project will result in the construction of a maximum of 39 additional dwelling units and will include an approximately four acre developed park site.

We further understand that the subject property is not and has not in recent years been in agricultural cultivation and consequently the proposed development will not result in a conversion of productive agricultural lands.

The impact on County facilities and services resulting from the proposed project, which will add a maximum of only 39 households to the project's vicinity, is anticipated to be minimal. Existing and planned facilities and services should be adequate to meet the additional demand created by this proposed development.

Very truly yours,

*Paul Mancini*

PAUL R. MANCINI  
Corporation Counsel

PRM:jkm

**PIONEER MILL COMPANY, LIMITED**

Growers of sugar cane and producers of raw sugar

P. O. Box 727  
Lahaina, Hawaii 96761

February 22, 1979

Amfac Communities-Maui  
P. O. Box 696  
Lahaina, Maui, Hawaii 96761

Re: Petition for Amendment to Land Use District Boundary  
by Amfac Communities-Maui from Agricultural to Urban  
District for Approximately 12 acres of land located  
at Lahaina, Maui (TMK: 4-6-18:14) (see map attached)

Gentlemen:

The above-captioned property is not presently planted in sugarcane and, in fact, has not been under active cultivation since 1977. Moreover, only approximately 7 acres was ever in active sugarcane production; the remainder of the property was not suitable for growing sugar.

The land was removed from cultivation at the same time as the adjacent 51 acres, which now comprises Kelaweia Mauka II Subdivision.


We have replaced on an acre-for-acre basis the approximately 7 acres of cane land which was previously under cultivation.

Very truly yours,

PIONEER MILL COMPANY, LIMITED

*WMK*  
By W. D. Balfour  
Its President and Manager

WMK:mh  
Enclosure



A subsidiary of Amfac Inc.

Exhibit "6"

C O P Y

Statement of ILWU Maui Division  
Support of Petition A 79-454 to  
Reclassify 11.93 Acres of Land  
at Lahaina from Agricultural District  
to Urban District

My name is Donald Rickard. I am the business agent of ILWU Local 142, Maui Division. I am speaking on behalf of the Maui Division of the ILWU, and specifically for the Sugar and Hotel workers in West Maui. We are in support of Petition A 79-454 to reclassify approximately 11.93 acres of land at Lahaina, Maui, presently in the Agricultural District into Urban District.

This land will be used for housing which is so drastically needed in the Lahaina area. We are particularly sensitive to the removal of any land from agricultural use and we carefully scrutinize any petition of this nature. Placing this acreage into Urban District will not cause any unemployment, nor will it have any significant impact on the sugar production at Pioneer Mill Company. On the other hand, it will provide an opportunity for working people in the Lahaina area to substantially improve their living standard at a price they can afford. For these and other reasons, we wholeheartedly support Petition A 79-454 and urge the Land Use Commission to act favorably.

10/3/79

DOCKET NO.	<u>A79-454</u>
PARTY	<u>Petitioner</u>
EXH. NO.	<u>II</u>
DATE IDENTIFIED	<u>10-3-79</u>
IN EVIDENCE	<u>10-3-79</u>
CLERK	<u>D. Amber</u>

Ref. by 2

COUNTY OF MAUI

BEFORE THE LAND USE COMMISSION  
OF THE STATE OF HAWAII

DOCKET NO.	<u>A79-454</u>
PARTY	<u>County of Maui</u>
EXH. NO.	<u>I</u>
DATE IDENTIFIED	<u>10-3-79</u>
IN EVIDENCE	<u>10-3-79</u>
CLERK	<u>D. Jank</u>

In the Matter of the Petition )  
of: )

AMFAC, INC., for a Petition to )  
amend the Land Use District )  
boundary of property situate at )  
Lahaina, Island and County of )  
Maui, State of Hawaii. )

DOCKET NO. A79-454

The Maui County Planning Department offers the following testimony with regard to the petition for Land Use District boundary amendment for 11.926 acres of land from agricultural district to urban district.

A. LOCATION AND DESCRIPTION OF PROPERTY

The aforementioned triangular-shaped land area fronts the northerly side of Lahainaluna Road and the southerly side of Kumukahi Street, a proposed Kelawea Mauka III subdivision street. Said remnant land area is under lease by the applicant from Kamehameha Schools/Bernice Pauahi Bishop Estate, and is identified as TMK 4-6-18:parcels 14 & 15, Lahaina, Maui. The upper portion of the site, consisting of approximately eight (8) acres including a 1 acre Lahaina water tank lot slopes from 8% to 12% in a northwesterly direction toward Kahoma Stream. Said 8-acre upper portion of the site is proposed to be subdivided, whereas, the lower triangular portion consisting of approximately four (4) acres and more difficult topography will be developed as a dedicated park.

A major portion of the site has, traditionally, been used for the cultivation of sugar cane and has no unusual or distinctive surface features.

The overall triangular shape of the site was formed as a result of the alignment of Lahainaluna Road which forms its southerly boundary.

B. SOIL CONDITIONS

According to the United States Department of Agriculture (U.S.D.A.) Soil Conservation Service 1972 soil survey, the entire site is identified as (W x 13) "Wainee very stony silty clay" for the 3% to 7% and 7% to 15% slopes.

The land study bureau has classified the previously cultivated portion of the site as Class "B" land, considered "good" for agricultural activity.

C. SURROUNDING LAND USE CHARACTER

The parcel is surrounded by the following existing land uses:

East (mauka) - The Lahaina Intermediate School site which is currently being developed.

West (makai) - Kelawea Mauka I single-family residential subdivision and Lahainaluna Road.

South (Olowalu) - Lahainaluna Road, canefields and land general-planned single-family residential and park.

North (Kaanapali) - Proposed Kelawea Mauka III which was granted re-classification from Agriculture to Urban by the State Land Use Commission on March 29, 1976. The final subdivision construction plans were submitted to the Maui County Land Use and Codes Division for approval on September 7, 1979; no action has been taken to date.

The site is located outside of the 100-year flood plain of Kahoma Stream and mauka of the potential tsunami inundation in accordance with the Drainage Master Plan of the County of Maui (1971) by R. M. Towill Corporation.

D. LAND USE DESIGNATIONS

- a. State of Hawaii Land Use Classification - Agriculture
- b. Maui County General Plan - Single-family residential and park
- c. Maui County Zoning - Agriculture
- d. Special Management Area Boundary - The project site is at an elevation of approximately 250 ft. above sea level and mauka of the Special Management Area Boundary for the Lahaina district.

E. INFRASTRUCTURAL SERVICES

- a. Storm Runoff - The underground storm drainage system for the proposed Kelawea Mauka III residential subdivision will be extended, and the storm runoff will be collected in the cul-de-sac streets and transmitted by 30 in. diameter line along the proposed Hokeo Street and disposed into Kahoma Stream.
- b. Sanitary Sewer - The sanitary lines will also be extended from the proposed Kelawea Mauka III and be collected in a 10 in. diameter line along Lahainaluna Road for transmission to the Honoapiilani Highway forced main and ultimate treatment at the West Maui Waste Water Reclamation Plant. Said plant and collection system are nearly in operation and are expected to be completed before completion of the proposed subdivision.
- c. Water - The local service lines will be extended and the system will be connected to existing 8 in., 12 in. and 16 in. diameter transmission lines along Lahainaluna Road.
- d. Electric and Telephone - Available along Lahainaluna Road.
- e. Roads, Curbs, Gutters, Sidewalks - Lahainaluna Road will be widened by eight (8) ft. and improved along the Kaanapali side and all internal subdivision streets will include pavement, curbs, gutters and sidewalks as per Maui County Subdivision standards.

F. PROPOSED USE OF THE SITE

The petitioner is proposing to develop a single-family residential house and lot package project which will be an extension of Kelawea Mauka III single-family residential subdivision. Approximately eight (8) acres of the total 11.93 acre site is proposed to be subdivided into thirty-nine (39) residential lots having a proposed minimum lot size of 6,500 sq. ft. The remaining approximate four (4) acre triangular portion with difficult topography is proposed to be dedicated as a public "passive" park. The application states in Exhibit "G" (page 1) of his testimony that the "4 acres will be graded and planted with grass for use as a passive park dedicated to the County of Maui."

The petitioner states in his application and testimony that the project will consist of 3-bedroom, single family, detached dwellings of "similar construction and design to those presently existing or under construction in the Kelawea Mauka I, II and III Subdivisions adjacent to the Project site and will use construction materials and techniques designed to produce sound homes while minimizing costs. Plans and specifications for housing units in the Project will be subject to review and approval by the County of Maui."

Because development costs for the project are not known, the petitioner states that he is "committed to using cost-saving construction techniques and materials in order to provide appropriately priced housing for employees of Pioneer Mill Company and the Kaanapali Beach Resort."

He also states that in accordance with terms of agreements with the County of Maui and the International Longshoremen's and Warehousemen's Union ("ILWU"), "the petitioner is obligated to sell units in the Project and other units built in the initial phase of the Kelaweia Mauka III Subdivision at a price to be set at no higher than two percent (2%) over Petitioner's cost.

Under these agreements, housing units in the Project will be included in a pool of housing units being constructed in the entire Kelaweia Mauka III Subdivision, with fifty percent (50%) of the housing units in the pool to be offered first to ILWU members on a "first right of refusal" basis. The remaining fifty percent (50%) of the housing units in the pool are to be offered as follows: "twenty-five percent (25%) to employees of the Hyatt Regency Maui Hotel in satisfaction of the letter agreement of May 19, 1978, executed with the County of Maui, and the remaining twenty-five percent (25%) to employees of the Marriott Hotel to be constructed in the Kaanapali Beach Resort area."

"All of the housing units in the Project will be developed and marketed in accordance with the agreements described above, which require that all housing units be sold at a price no higher than two percent (2%) over the Petitioner's actual development and construction costs." Further, all of the housing units in the Project are to be conveyed subject to an "anti-speculation" repurchase option in favor of the County of Maui.

In addition, the applicant further states that "under certain conditions, if a price equal to cost plus two percent (2%) exceeds what hotel employees are able to afford, Petitioner is required under its Agreement with Maui County set forth in Petitioner's Exhibit "2" to develop a rental program with an option to purchase" or some other feasible program.

#### G. AGENCY COMMENTS

- a. Maui County Departments of Public Works and Water Supply - Verbally indicate that the proposal to establish the subject 39-lot subdivision and park project as an extension of the pending Kelaweia Mauka III 242-lot residential subdivision, and, pursuant to requirements of the County of Maui Subdivision Ordinance, will result in a minimal natural and social impact within the geographic area.
- b. Maui Planning Department - The project, as proposed, does comply with the existing General Plan for the Lahaina District and integrates well with the existing zoning and development in the surrounding area.
  1. The Lahaina General Plan indicates that approximately 3.5 acres of the site should be set aside for park use, whereas, the proposed project identifies nearly 4 acres.
  2. The petitioner states that the deletion of approximately seven (7) acres from agricultural cultivation "will not reduce agricultural production or the net acreage under cultivation by Pioneer Mill."
  3. Concern has been expressed for the proposed minimal development of the public park site, and, therefore, a master plan identifying circulation and appropriate amenities should be prepared and implemented during the project construction phase.
  4. Also, a street tree planting program identifying large crown shade trees should be defined and implemented.

5. Concern has also been expressed for the safe and aesthetic integration of "Lahaina Tank Lot B" within the proposed single-family residential subdivision.

#### H. COMPATIBILITY WITH SURROUNDING AREA

As mentioned in the foregoing section, the project does integrate well with the existing zoning and development in the surrounding area.

#### I. ANALYSIS (Pursuant to Part VI, Amendments to District Boundaries, Section 6-1 of the State Land Use Commission District Regulations)

1. There are no known agricultural, archeological-historical, recreational-scenic or natural resources on the parcel. Also, it has been sufficiently established in the context of the existing general plan designation as well as surrounding zoning and development that the site is "reasonably" necessary to accommodate growth and development.
2. Adequate public services are or can be provided for development of the proposed subdivision.
3. The site is contiguous to existing urban classification and existing public services.
4. The subject site is accessible to existing and proposed employment centers, and it has been presented that the houses and lots will be available to satisfy a portion of the need for affordable employee housing within the agriculture and visitor industries of West Maui.

#### J. LETTERS OF APPROVAL OR PROTEST - Attached letter of approval, identified as Exhibit "A", and dated February 5, 1979, from Mr. Thomas Yagi, Division Director, ILWU Local 142, Maui Division.

#### K. RECOMMENDATION

The Planning Department of the County of Maui finds that requirements for boundary amendments have been essentially met, and, therefore, approval of the subject request for amendment to the land use district boundary from agriculture to urban is recommended in accordance with revised plans dated November 3, 1978, plus all other information included as part of the application, and subject to the following conditions:

1. That full compliance shall be rendered with all requirements of the County of Maui Change in Zoning and Subdivision Ordinances.
2. That appropriate measures shall be taken during construction to mitigate the short-term impact of the project relative to soil erosion from wind and water and increased ambient noise levels.
3. That a park master plan identifying circulation and appropriate amenities shall be prepared and implemented during the project construction phase.
4. That a street tree planting plan shall be prepared for implementation during the project construction phase.
5. That a program for the safe and aesthetic integration of "Lahaina Tank Lot B" within the proposed single-family residential subdivision shall be prepared for final review and approval by the Maui County Departments of Public Works, Water Supply and Planning.
6. That full compliance with all Federal, State and County requirements shall be rendered.

#### L. CONCLUSION

This concludes the testimony of the Maui County Planning Department.



**INTERNATIONAL LONGSHOREMEN'S & WAREHOUSEMEN'S UNION**

LOCAL OFFICE 451 ATKINSON DRIVE • HONOLULU, HAWAII 96814 • PHONE 949-4161

HAWAII DIVISION: 100 West Lanikaula St., Hilo, Hawaii 96720 • OAHU DIVISION: 451 Atkinson Drive, Honolulu, Hawaii 96814  
MAUI COUNTY DIVISION: Lower Main Street, Wailuku, Maui 96793 • KAUAI DIVISION: P. O. Box 1910, Lihue, Kauai 96786

**LOCAL 142**

February 5, 1979

Maui County Planning Commission  
Kalana O Maui Building  
Wailuku, Hawaii 96793

Reference: State Land Use District Boundary Amendment for  
11.962 Acre Expansion of the Kelawea Mauka III  
Employee Housing Project

Gentlemen:

This is to inform you that the Maui Division of ILWU Local 142 would like to go on record in support of Amfac Communities-Maui's petition to rezone 11.962 acres of land from Agriculture to Urban, based on the need for additional housing for our workers in the West Maui area.

Pioneer Mill Company, Ltd. has assured us that they have replaced all acreage removed from sugar cane cultivation. Further, it is our understanding that 50% of the units to be constructed in the referenced development will be offered to ILWU union members, according to an allocation system administered by Local 142, and Units 2103 and 2501.

Your granting of the above request will be greatly appreciated.

Sincerely,

ILWU LOCAL 142  
Maui Division

  
Thomas Yagi  
Division Director

TY:ah

Enc. - Copy of development site  
cc: ILWU Local 142 )  
Units 2103 & 2501) w/enc.  
Amfac Communities-Maui

howu

RECEIVED  
FEB 6 10 56 AM '79  
DEPT. OF PLANNING  
COUNTY OF MAUI

EXHIBIT "A"

"AN INJURY TO ONE IS AN INJURY TO ALL"

DPED

BEFORE THE LAND USE COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Petition of )  
AMFAC, INC. )  
To Amend the Agricultural Land )  
Use District Boundary to Reclassify )  
Approximately 11.93 Acres, )  
TMK: 4-6-18: 14 and 15, )  
at Lahaina, Island and )  
County of Maui into the )  
Urban Land Use District )

DOCKET NO. A79-454

DOCKET NO.	<u>A79-454</u>
PARTY	<u>DPED</u>
EXH. NO.	<u>I</u>
DATE IDENTIFIED	<u>10-3-79</u>
IN EVIDENCE	<u>10-3-79</u>
CLERK	<u>D. Johnson</u>

TESTIMONY OF THE DEPARTMENT OF PLANNING  
AND ECONOMIC DEVELOPMENT IN SUPPORT OF PETITION

The Department of Planning and Economic Development (hereinafter referred to as "DPED") recommends approval of the petition of Amfac, Inc. to reclassify approximately 11.93 acres of land situated at Lahaina, Maui, from the Agricultural to the Urban District. DPED's recommendation is based on the following findings of fact and analysis of the petition.

General Information

The petition was served on DPED on April 25, 1979, by William M. Kahane, attorney for Petitioner, Amfac, Inc.

Fee simple owners of the subject property are the Trustees of the Estate of Bernice Pauahi Bishop. Petitioner and the Trustees have entered into an agreement under which Petitioner will purchase the property from the Trustees. The Trustees have appointed Petitioner as their agent for the purpose of securing the proposed boundary amendment. Petition includes a letter dated April 20, 1979 from the Estate authorizing Amfac, Inc. to proceed with the boundary amendment request. (Petitioner's Exhibit D)

Petitioner is a Hawaii corporation, with its principal place of business at 700 Bishop Street, Honolulu, Hawaii, 96813, P. O. Box 3230, Honolulu, Hawaii 96801.

Description of Subject Property

The subject property lies approximately 1/2 mile mauka of Lahaina Town and is accessible via Lahainaluna Road.

The property consists of two separate parcels, TMK: 4-6-18: 15 consisting of approximately 7.035 acres and TMK: 4-6-18: 14 consisting of approximately 4.891 acres. These two parcels are separated by parcel identified by TMK: 4-6-18: 18 which consists of 1.083 acres which is not included in the petition area.

The property can be described as a long and narrow parcel running in a makai to mauka direction and lying between Lahainaluna Road and the existing Urban District of the proposed Kelawea Mauka III residential subdivision area.

The subject property is presently vacant and unused and covered by scrub brush. According to the Petitioner, approximately 7 acres of the subject property were in sugar cultivation until the end of 1977 when the area was removed from active cultivation along with the adjacent land in the proposed Kelawea Mauka III residential subdivision area.

The subject property abuts the Urban District on its western and southern boundaries, and the Agricultural District on its remaining boundaries. Urban District areas include the sites of the proposed Kelawea Mauka III subdivision. Agricultural District areas are presently in cane cultivation.

Slope of the subject property ranges from 8-12%.

The USDA Soil Conservation Service Soil Survey Report for the Island of Maui (Map. No. 94) classifies soils of the area as Wainee very stony, silty clay, 7 to 15 percent slopes (WxC) and Wainee extremely stony silty clay, 7 to 15 percent slopes (WyC). These soils are used mostly for sugarcane. A small acreage is used for pasture and homesites. Natural vegetation is fingermoss, kiawe and uhaloa.

Under the Land Study Bureau classification system (Map No. 4) the makai half of the subject property consists of Class E lands, considered "very poor" for agricultural activity while the mauka half of the subject property consists of B lands, considered "good" for agricultural activity.

The mauka portions of the subject property are classified as "other lands of importance" under the Department of Agriculture's Agricultural Lands of Importance to the State of Hawaii classification system.

Proposal for Reclassification

The Petitioner proposes to develop the subject property as part of the adjoining Kelawea Mauka III residential subdivision. Petitioner is the corporate parent of Pioneer Mill Company, Limited, which is the owner of the adjoining proposed Kelawea Mauka III residential subdivision area.

Petitioner proposes to subdivide approximately 8 of the 11.93 acres into residential lots having a minimum lot size of 6,500 square feet creating a total of approximately 39 lots. The petition includes a preliminary development plan. (Petitioner's Exhibit 2.)

The remaining approximate 4 acres will be graded and planted with grass for use as a passive park and dedicated to the County of Maui.

Petitioner proposes to construct three-bedroom, single-family detached dwellings on each of the 39 lots as permitted in an R-1 zoning district. The houses are to be of similar construction to those in the Kelawea Mauka I and II subdivisions adjacent to the project site.

Petitioner proposes to obtain zoning and subdivision approval from the County of Maui, upon approval of the boundary amendment.

Petitioner anticipates that the construction of the subdivision improvements will begin within one year of the Land Use Commission approval of the boundary amendment. The first units completed in the project area are expected to be ready for occupancy within approximately one year of the start of construction.

Project development costs are undetermined at this time. However, Amfac, Inc. has committed to provide "appropriately priced" housing for employees of Pioneer Mill and Kaanapali Beach Resort. In order to meet this commitment, Amfac, Inc. has agreed to sell all of the proposed units, and other units to be developed in the initial phase of the Kelawea Mauka III Subdivision at a price to be set at no higher than 2% over cost. The terms and conditions of this commitment are included in Petitioner's Exhibit 1.

Housing units will be offered on a "first right of refusal" basis to employees of Pioneer Mill Company, Ltd., the Hyatt Regency Maui Hotel, and other Kaanapali Beach Resort employees pursuant to agreements reached between Petitioner and the International Longshoremen's and Warehousemen's Union (ILWU) and the County of Maui. Fifty percent of the housing units in the proposed development will be marketed to ILWU members. (Petitioner's Exhibit 4.)

All housing units are to be conveyed subject to an "anti-speculation" repurchase option in favor of the County of Maui.

#### State and County Plans and Programs

The subject property is presently within the State Agricultural District.

The County of Maui General Plan designation for the area is residential and park use. No amendment to the General Plan is required for the proposed use.

The subject property is not within the County of Maui Special Management Area.

#### Need for the Proposed Development

In support of the petition, Petitioner points out that there has been a substantial increase in the population of Maui County from 1970 to 1977 particularly due to the growth of the visitor industry and the creation of additional employment opportunities. (Petitioner's Exhibit C, Table 1.)

Petitioner points out that this population increase has subsequently increased the demand for single family dwellings creating a shortage of approximately 3,000 dwelling units. (Petitioner's Exhibit C, Table 2.)

Petitioner states that the "shortage of housing is most sharply felt in the Lahaina District, which is the largest center of tourist oriented employment. The absence of new, appropriately priced housing in the Lahaina District has created an employee housing problem of critical proportions. The resulting demand for existing housing has pushed the resale prices for these units far beyond replacement costs, thereby compounding the problem. As a consequence, many persons employed in the Lahaina area have been forced to live in other Maui districts where affordable housing is "available."

The Petitioner contends that the proposed development of the subject property

will provide residential dwelling units which will help to alleviate this critical housing shortage.

#### Impact on Resources of the Area

The subject property is not presently in active cane cultivation.

Petitioner states that all acreage removed from cane cultivation has been replaced elsewhere.

The USDA Soil Conservation Service points out that the subject property is not classified as prime lands under the "Agricultural Lands of Importance to the State of Hawaii" classification system and they have no objections to the proposed reclassification.

The Department of Agriculture points out, in their letter of September 4, 1979, that they have no objection to the proposed use since plantation employee housing will be provided.

The Department of Taxation, in their letter dated May 9, 1979, points out that a portion of the subject property is subject to the deferred tax. Upon a change in the land use classification, the Maui Assessor will impose the deferred (rollback) tax, pursuant to Section 246-10(f)(3), HRS.

#### Adequacy of Public Services and Facilities

Drainage for the subject property is presently handled through the Pioneer Mill irrigation system which collects runoff on the site. Drainage for the proposed development will be integrated with the drainage system for the entire Kelawea Mauka Subdivision.

#### Traffic:

The Department of Transportation points out in their letter of May 16, 1979, that the proposed development will have no impact on any of their programs for the area.

#### Water:

The Department of Land and Natural Resources points out that the subject area is subject to a water moratorium by the County of Maui Department of Water Supply and the County should be asked how the project will be affected by the moratorium.

The Petitioner does not specifically address how water will be provided to the proposed development but states that "Existing and planned improvements will meet all water demand generated by the Project."

Schools:

The Department of Education, in their letter of May 22, 1979 points out that the student enrollment generated by the proposed reclassification can be accommodated by existing and planned school facilities.

Sewage:

The Petitioner states that existing or planned public sewer and sewage treatment capacity exists to meet project demands.

Recreation Areas:

The Petitioner proposes to develop a 4 acre passive park to be dedicated to the County of Maui, as part of the project.

Police and Fire Protection:

The petition states that police and fire services are available to meet project demands.

Scatterization and Contiguity of Development

The subject property abuts the existing Urban District and will be part of the Kelawea Mauka III residential subdivision development. The proposed reclassification would therefore not lead to scatterization of urban development in the area.

It is pointed out however, that the proposed reclassification would create two pockets of Agricultural District lands within the Urban District. These parcels are identified by TMK: 4-6-18: 18, a 1.083 acre County of Maui Water Tank site, and TMK: 4-5-31: 1, a 1 acre parcel owned by the State of Hawaii.

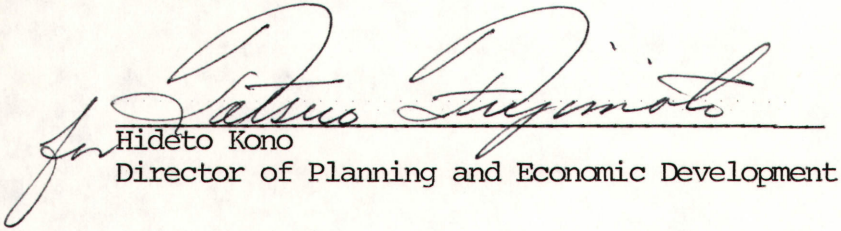
Conclusions and Recommendation

Based on the foregoing analysis of the petition and comments of other agencies, the Department of Planning and Economic Development finds that the proposed reclassification is:

- 1) reasonable;
- 2) in accordance with Section 205-2, HRS;
- 3) in compliance with the Interim Statewide Land Use Guidance Policies;

The Department therefore recommends that the Land Use Commission approve the petition by Amfac, Inc. to reclassify approximately 11.93 acres of land at Lahaina, Maui from the Agricultural to the Urban District.

DEPARTMENT OF PLANNING AND  
ECONOMIC DEVELOPMENT  
STATE OF HAWAII

  
Hideto Kono  
Director of Planning and Economic Development

GEORGE R. ARIYOSHI  
GOVERNOR



RYOKICHI HIGASHIONNA, PH.D.  
DIRECTOR

DEPUTY DIRECTORS  
WALLACE AOKI  
DOUGLAS S. SAKAMOTO  
CHARLES O. SWANSON  
James R. Carras

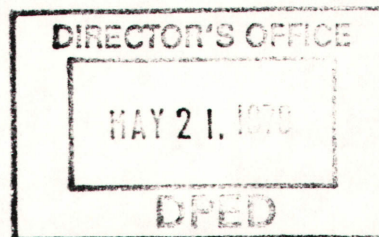
STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813

IN REPLY REFER TO:

May 16, 1979

STP 8.5440

Mr. Hideto Kono, Director  
Department of Planning  
and Economic Development  
P. O. Box 2359  
Honolulu, Hawaii 96813



Dear Mr. Kono:

Subject: Petition No. A79-454 (Amfac, Inc.)  
TMK: 2-4-6-18: 14 and 15  
Lahaina, Maui

Thank you very much for giving us the opportunity to review and comment on the above-captioned petition. We have no proposed program in the subject area and, therefore, no effect of the boundary change is anticipated.

Very truly yours,

*Ryokichi Higashionna*  
Ryokichi Higashionna

LAND USE COMMISSION  
STATE OF HAWAII  
OCT 5 9 53 AM '79

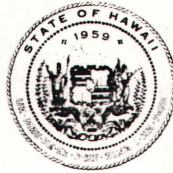
DOCKET NO.	A76-418
PARTY	DPED
EXH. NO.	I-a
DATE IDENTIFIED	10-3-79
IN EVIDENCE	10-3-79
CLERK	D. Lmk

DPED EXHIBIT 1a

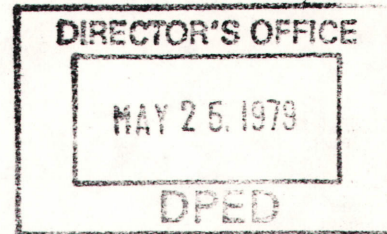
cc:AC

GEORGE R. ARIYOSHI  
GOVERNOR

CHARLES G. CLARK  
SUPERINTENDENT



STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
P. O. BOX 2360  
HONOLULU, HAWAII 96804



OFFICE OF THE SUPERINTENDENT

May 22, 1979

MEMO TO: Honorable Hideto Kono, Director  
Department of Planning & Economic Development  
F R O M: Charles G. Clark, *CGC* Superintendent  
Department of Education  
SUBJECT: Amendment to State Land Use District Boundaries  
Petition: A79-454 (Amfac, Inc.)

We anticipate that the student enrollment generated by the change in land use from Agriculture to Urban can be accommodated by existing and planned school facilities. Net increase is fifty percent of the projected student enrollment because of the Amfac, Inc. and ILWU agreement to market fifty percent of the housing units to ILWU Union members residing in the area.

<u>SCHOOL</u>	<u>GRADE</u>	<u>APPROXIMATE ENROLLMENT</u>
Kamehameha III	K-6	15 - 25
Lahaina Intermediate	7-8	4 - 8
Lahainaluna High	9-12	5 - 10

CGC:HL:jl

cc: Maui District

DOCKET NO.	<u>A76-418</u>
PARTY	<u>DPED.</u>
EXH. NO.	<u>I-6</u>
DATE IDENTIFIED	<u>10-3-79</u>
IN EVIDENCE	<u>10-3-79</u>
CLERK	<u>[Signature]</u>

cc: AC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the within DPED Exhibits 1a and 1b was served upon the following by either hand delivery or mailing the same, postage prepaid, certified mail, on October 5, 1979 addressed as follows:


Gordan Furutani, Executive Officer  
State of Hawaii  
Land Use Commission  
Suite 1795, Pacific Trade Center  
190 South King Street  
Honolulu, Hawaii 96813

Tosh Ishikawa, Planning Director  
Maui County Planning Department  
200 South High Street  
Wailuku, Maui 96793

William M. Kahane  
Amfac Building  
20th Floor  
700 Bishop Street  
Honolulu, Hawaii 96813

Benjamin M. Matsubara  
Suite 1748, Pacific Trade Center  
190 South King Street  
Honolulu, Hawaii 96813

DEPARTMENT OF PLANNING AND  
ECONOMIC DEVELOPMENT  
STATE OF HAWAII

  
Hideto Kono  
Director of Planning and  
Economic Development

STATEMENT

RECEIVED

OCT 1 1979

State of Hawaii  
LAND USE COMMISSION

P.O. Box 394

Naalehu, Hawaii 96772

September 23, 1979

To: Land Use Commission  
State of Hawaii  
Maui Planning Department

Regarding meeting set for October 3, 1979 -  
9:00 a.m. at Kahului Library, Maui  
to hear docket # A79-454 by AmFac, Inc.,  
attempt to reclassify approximately 11.93  
acres of land presently in the Agricultural  
District into the Urban District at Lahaina,  
Maui, for a residential subdivision.

Dear Friends,

Commissioners Charles Duke - chairman  
Shinichi Nakagawa - vice chairman  
William Yuen - members  
Shinsei Miyasato "  
Mitsuo Oura "  
George Pascua "  
Carol Whitesell "  
Edward Yanai "  
Gordon Furutani - executive officer  
George R. Ariyoshi - governor  
Maui Planning Department

As President of ENVIRONMENTAL  
CITIZENS AGAINST PROGRESS - WE PRAY you  
will ACCEPT the following testimony and  
give it due consideration when you make  
this important land use decision.

We PRAY that if American Factors, Inc. do not wish to use the 11.93 acres of land for agriculture, that they will sell or rent it to someone who will use it for its designated purpose - agriculture

Most ~~land~~ people cannot afford homes proposed by a residential subdivision and end up having to live with additional traffic, noise, congestion, pollution and higher taxes and inflated prices.

The water to supply addition homes & families will have to come from some place and therefore be taken away from some existing ag land. Water is reaching critical stage <sup>on many islands</sup>

Any jobs provided in construction are purely temporary while jobs in agriculture provide a never ending source of food and water, for all the future generations.

The endangered supplies of plants, animals, fish and shells must have clean air and water and little pollution in order to survive. We wish there wouldn't have to be so many meetings so we could have more time for our plants and animals. We wish everyone would know that by keeping the land in agriculture it will always be there for people to be able to visit when they are able - the valuable tourist industry. It will also be a never ending source of food and water for all the future generations.

We PRAY that valuable tax dollars could be used for schools of higher education

more easily accessible for island people, especially veterinary schools, ag schools, medical and dental schools, <sup>oceanography</sup> and even law schools for island people, instead of having tax dollars continually provide for sewage and public facilities roads & highways for all the people who want to come here.

We pray people in colder climates will learn to do plant their own trees and use the branches for warmth rather than coming and taking away our plants and trees because we have a perfect climate.

We can never emphasize enough the need for peace and quiet and open space fresh air & sunshine, clean air & water and good food for everyones health & good will. The people of the land work very hard and hope it will always be there for city people to visit when they are able. We would like to emphasize the number of years it takes to grow a good fruit tree and all the other food, how fragile is the environment that is left. We would like to emphasize the value of hiking & camping & being close to nature which more people can afford than homes. We pray the land will always be able to provide for everyone, and agriculture land will remain in agriculture.

Mahalo,

ELIZABETH STONE + children & animals  
PRESIDENT - ENVIRONMENTAL  
CITIZENS AGAINST PROGRESS

P.O. Box 394  
Naalehu, Hawaii  
96772



**RETURN RECEIPT  
REQUESTED**

**CERTIFIED**  
No. 820875  
**MAIL**

Land Use Commission  
Suite 1795  
Pacific Trade Center  
Honolulu, Hawaii  
96813