

BEFORE THE LAND USE COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Petition of	)	DOCKET NO. A89-636
	)	
GROVE FARM PROPERTIES, INC.	)	EXHIBIT A
	)	
To Amend the Land Use District Boundary	)	AFFIDAVIT OF
of Property Situated at Lihue, Island and	)	GREG KAMM
County of Kauai, State of Hawaii	)	
Tax Map Key No. (4) 3-3-3-01 (portion)	)	
<hr/>		

JUL 31 3 11 PM '89  
LAND USE COMMISSION  
STATE OF HAWAII

Greg Kamm, being first duly sworn on oath deposes and says:

1. I am employed by Grove Farm Properties, Inc., the Petitioner in the referenced Docket (sometimes "Docket A89-636")
2. I am the Vice President of the Petitioner and my responsibilities include the development by Petitioner of the approximate 590 acre Lihue-Puhi Project District (which is also known as the Puakea Project), covering the land which is the subject of Docket A89-636.
3. In my capacity as Vice President of Petitioner, I am familiar with the background and history of the development of the Puakea Project since the approval by the Land Use Commission of the State of Hawaii ("Commission") of the boundary amendment and incremental districting affecting that property under the terms of the Commission's Findings of Fact, Conclusions of Laws and Decision and Order issued June 30, 1989, in Docket A89-636 (the "Decision and Order").
4. The Puakea Project area is comprised of two increments, with Increment I containing approximately 480 acres and Increment II containing approximately 116.775 acres, as shown on the Land Use Concept Plan Map attached as Exhibit B to the foregoing Motion. Increment I was

**EXHIBIT A**

**ORIGINAL**

reclassified from the Agricultural District to the Urban District under the Commission's Decision and Order and Increment II was approved under the Commission's Decision and Order for incremental redistricting from the Agricultural District to the Urban District subject to due application and a prima facie showing by Petitioner that substantial completion of off-site and on-site improvements within Increment I had occurred in accordance with Petitioner's development plan.

5. On September 9, 1994, the Commission, pursuant to a motion and upon a due showing by Petitioner, issued its order redistricting from the Agricultural to Urban District certain Increment II lands identified on Exhibit B as Parcel 12 (consisting of approximately 4.5 acres).

6. The current Motion seeks the redistricting of the balance of Increment II lands identified on Exhibit B (original Land Use Concept Plan map) as the mauka portion of Parcel 7 (Parcel 7A), the makai one-half of Parcel 16, Parcels 8, 17, 19, 20 and 21, and the Kaumualii Alignment Area. These lands are also reflected and described on Exhibit C (Proposed Land Use Change Map) as Parcels A2 to A5, inclusive, and Parcels D1 and D3.

Petitioner's Motion is based on the fact that Petitioner has substantially completed improvements to Increment I lands in accordance with its development plan. Reclassification is appropriate at this time because infrastructure is progressing towards Parcels 16 and 17, the State of Hawaii Department of Education wishes to utilize Parcel 7A for school and park purposes, and in recognition that Parcels 8, 19, 20 and 21 will share the same infrastructure which will have to be installed to permit use of Parcel 7A for a school site. In addition to being a logical extension of the urban area, Petitioner perceives a need to timely proceed with the development of the Parcel 19, 20 and 21 commercial areas, which are directly adjacent to the existing developed commercial areas that represent the regional commercial center for the Island of Kauai. As described in this affidavit, the only Project District parcel, Parcel 18 - the Shopping Center Expansion Site, available for large single-user commercial tenants has been improved and leased to K Mart. Such major retail operations require

specialized site locations and improvements that are not reasonably capable of being incorporated into any existing commercial site within the Project District. The tenor and pace of large scale retail operations in the State is such that development of these additional commercial areas is appropriate to allow Kauai to compete as a location for this market. These types of retailers, such as K Mart, are providing Kauai residents with state-wide competitive product pricing through volume purchase discounts. The purchase and stocking programs of such retailers cause them to seek, in many instances, larger commercial sites, which can be built to suit the retailer's needs. Without appropriate locations for these types of retailers, which sites no longer exist within Lihue's regional commercial center core, Kauai's residents may be denied access to these benefits. The commercial sites within Increment II lands now proposed for redistricting are perfectly suited to the needs of such retailers. Further, these commercial sites are equally suitable for more concentrated commercial uses such as small commercial or professional office centers.

8. After the Commission's Decision and Order of June 30, 1989, Petitioner applied for and obtained from the County of Kauai various approvals affecting the Puakea Project area property or portions thereof including: (a) a County general plan amendment (PM-205-90) on March 13, 1990, for a portion of the project area which was not included within the Urban Mixed Use district of the County's then general plan and (b) an amendment of the applicable County of Kauai zoning ordinance (Ordinance PM-206-90) on March 13, 1990, approving the reclassification of Increment I land within the project area for residential uses, commercial uses, infrastructure and a golf course.

9. County Zoning Ordinance PM-206-90 regarding the project area was issued subject to conditions substantially the same or similar in purpose and intent as those conditions imposed by the Commission in Docket A89-636.

10. In addition to the foregoing, Petitioner has secured from the County or, its respective agencies, permits or approvals necessary to effect the development, subdivision or improvement of

various lands within the Project District including: Parcel 1, Parcel 5, Parcel 6, Parcel 10, Parcel 11, Parcel 12 (former Increment II land), Parcel 14, Parcels 22 to 26, inclusive, and Parcel 18, which consist of various multi-family and single-family residential projects, commercial projects, and the golf course, together with adjacent and associated roadway and infrastructure improvements, some or all of which are located on Increment I lands.

11. **On Site Improvements.** Specifically, on-site improvements in Increment I, have been substantially completed in five (5) residential or multi-family subdivisions on Parcels 1, 5, 6, 11, and 14, one (1) commercial subdivision unit, located on Parcel 18, and ten holes of the golf course located on Parcels 22 to 26, inclusive. On-site improvements are underway in another residential subdivision unit situated on Parcel 10 in respect of which tentative subdivision approval has been obtained for a single family residential development. Specifically, the following information is provided:

**a) Parcels 1, 5 and 6 (Affordable Housing).** As described in Petitioner's annual report dated June 1, 1995, (Exhibit D to the Motion), the affordable housing element included in Increment 1 of this project area has been constructed, in large part, pursuant to arrangements between Petitioner and Schuler Homes, Inc., designed to meet the requirements for providing affordable housing in accordance with the State and County guidelines regarding the number of units, mix and price schedules. Parcels 1, 6 and 5 are being developed for this purpose and it is expected that over the course of three or more phases, a total of 700+ single-family and multi-family units will be achieved together with a 2.0 acre county park. Presently, 409 units have been completed and 92 units are now under construction. All of the described units will be affordable homes marketed for the eighty percent (80%) to one hundred and forty percent (140%) of median income households on the Island of Kauai. Specifically:

**(1) Parcel 1.** Halelani Village, Phase 1-A is located on this parcel and has been completed. This development consists of 116 multi-family residential units, of which 114 have been sold and have closed escrow as of the date of this Affidavit.

**(2) Parcel 6.** This parcel is being developed as multiple phases of the Halelani Village Project. Phase 1-B of the Halelani Village project, which consists of 84 condominium units, is completed and 63 units have been sold and 56 have closed escrow as of the date of this Affidavit. The balance of the Halelani Village phases will consist of approximately 304 multi-family dwelling units located on the balance of Parcel 6. Basic site improvements on the balance of Parcel 6 are underway. Phasing line boundary adjustments have been approved by the County and Phase 1-C, consisting of 92 units, is under construction and sales are underway.

**(3) Parcel 5.** Two separate phases of the Hokulei Estates single-family affordable residential project are constructed on this parcel. Phase 1 of Hokulei Estates contains 125 single-family homes, all of which have been sold and are occupied. Phase II of the Hokulei Estates project consists of 84 homes, all of which have been sold and are occupied. Twenty (20) of these units have been sold to the County for delivery as part of a County sponsored housing program. Nineteen (19) of those units have been sold and are occupied; the remaining one (1) home is under contract for sale.

**b) Parcel 14.** The Ulu Ko II Subdivision is located on this parcel and consists of an 18-lot market residential project which was completed in 1992. Seventeen (17) lots have been sold and purchasers of 10 of those lots have either constructed or are currently constructing homes on the properties.

**c) Parcel 18.** This parcel is an expansion site of the shopping center for the existing Kukui Grove Shopping Center. Construction of improvements to this site have been completed, and a new approximately 120,000 square foot K Mart facility opened for business in November 1994. The

associated detached retail center that includes Borders Books, Clothestime and Payless Shoes opened for business in March 1995.

**d) Parcel 11.** The Puako Subdivision consisting of 89 residential lots is located on this parcel. Final County subdivision approval has been obtained and site improvements are underway. Both the on-site roads and off-site access roads have been paved. At present, 37 lots have been sold.

**e) Parcels 9 and 10.** The Pikake Subdivision will be located on these parcels. It will consist of a 225+ residential lot subdivision. Tentative subdivision approval was secured from the County of Kauai on June 10, 1993. Phased construction of site improvements starting with Parcel 9 is planned to follow completion of improvements to Puako Subdivision located on Parcel 11.

**f) Parcel 12.** This multi-family residential site has been zoned for its intended use by the County and site improvements are currently underway.

**12. Other Project District Improvements.** Petitioner has also substantially completed the off-site work necessary to provide needed services to the described residential, and commercial projects and a substantial portion of the golf course facilities within Increment I lands. Petitioner has also completed substantial portions of the infrastructure work necessary to provide needed services to the balance of the project area. The current status of these efforts is described generally as follows:

**a) Park Dedication Plan.** In addition to the 2.0 acre park site adjacent to the Hokulei Estate project, which has been completed and dedicated to the County, a five-acre park site is planned immediately adjacent to the school site (also on the Parcel 7 site) and Petitioner is continuing to coordinate with the County concerning its planning for the site and intended joint State and County use. A park dedication implementation plan for the overall Project District has been approved by the County and is being implemented in stages in accordance with that plan.

**b) Wastewater Treatment Plant.** A portion of Parcel 11 of Increment I lands has been utilized for the construction of a Project District sewage treatment facility with a current (but

expandable) one million gallon per day capacity. All site improvements have been constructed. The plant is currently operational and a certificate of public convenience and necessity for the facility has been issued by the State Public Utilities Commission. Appropriate force mains, lift station and transmission lines necessary to service Puhi Industrial Park, the Hokulei Estates Subdivision and the Halelani Village multi-family project, as well as the Kukui Grove Shopping Center, Puako subdivision, and the Parcel 12 site and other adjacent and related projects, are in place. Additional transmission facilities have been designed and will be constructed concurrently with the completion of the residential and commercial developments contemplated for the Project District area. Further, Grove Farm has reached an understanding with the County of Kauai which allows the expansion of the Plant to serve certain non-project areas close to the Project.

**c) Water System.** Construction of the water system improvements required to service the described residential, commercial and golf course projects is incrementally underway and has been undertaken in accordance with a Water Master Plan for the project area approved by the County of Kauai on May 4, 1992. Various components in the system include (1) the drilling and completion of Puhi Well No. 3 in May 1993, the cost of which was shared with the County of Kauai, (2) the development of Puhi Well No. 4, which was completed in April 1995, (3) the completion and acceptance by the County of Kauai of the one million gallon 510' Water Storage Tank to service the affordable housing components of the Puakea Project, and (4) the construction of an additional one million gallon water storage facility (393' Water Storage Tank), which commenced in early 1994 and has been completed. Exploratory drilling has been undertaken for Haiku Mauka Well No. 1, the next planned domestic water well. Development permitting and construction plan review are in process for this well.

**d) Solid Waste Program.** In accordance with conditions contained in the Commission's Decision and Order and those adopted by the Kauai County Council in connection with Zoning

Ordinance PM-206-90, Petitioner participated in funding the solid waste program for the County by sharing 33-1/3% in the cost to construct (through contributing \$717,600.39) the County's Lihue Refuse Transfer Station, which has been completed and is now operational.

**e) Drainage Master Plan.** Petitioner has completed a Drainage Master Plan for the project area and surrounding environs in accordance with the conditions established by the County of Kauai Public Works Department. The Drainage Master Plan is being implemented in phases under the direction of the County of Kauai.

**f) Off-Site Traffic Improvements.** At its own initiative, Petitioner has funded a right-of-way study relating to the widening of Kaumualii Highway fronting the entire project area (and beyond), and continues to work with the State Department of Transportation and Kauai Community College in connection with the implementation of that study. Petitioner has completed required intersection improvements and signalization improvements at the junction of Puhi Road and Kaumualii Highway. Additionally, Petitioner has widened Nawiliwili Road and installed a traffic signal on Pikake Street. Further, Petitioner, in response to comments received in connection with the right-of-way study indicating that plum trees located along the highway should be preserved, intends to expand a portion of Kaumualii Highway using only its land instead of dedicating only a portion of the expansion area measured from the centerline of the highway. Further west, the Highway will be expanded only on the opposite side to lessen the impact on Puhi Town.

**g) Preservation Plan.** Petitioner has had prepared preservation plans relating to the Halehaka Cemetery and the renovation of the existing manager's house within Parcel 24, each of which have been approved by the Historic Sites section of the Department of Land and Natural Resources.

**h) Roadway Implementation Plan.** Major roadways within the Project District include Nuhou Street, Pikake Street, Puhi II Road (now known as Kaneka Street) and road "KGVW" reflected



on the Land Use Concept Plan Map (Exhibit B to the foregoing Motion). Additionally, Puhi Road, which is adjacent to Parcels 5 and 1 of Increment I, is necessary for adequate access to those subdivisions. Petitioner has developed a Road Implementation Master Plan, which has been approved by the County of Kauai, pursuant to which the major roadways proposed to serve the residential, commercial and golf course facilities and slated for construction within the Puakea Project have been organized and designed for construction in multiple phases. Construction of the first phase, including the installation of underground utilities, is expected to be complete by mid 1995. The balance of the phases will be completed concurrently with the construction of various elements of the project. At this stage, the extension of Puhi Road to serve the Hokulei Estates and Halelani Village projects located on Parcels 5, 1 and 6 of Increment I has been completed, and underground and street improvements are complete on a portion of Pikake Street and underway on an additional portion of Pikake Street and portions of Nuhou Street.

13. **Golf Course Improvements.** Golf course improvements on Parcels 22 to 26, inclusive, of Increment I commenced in 1992. Mass grading, shaping and grassing of holes 2, 3, 4, 6, 7, 8, and 9 has been completed, with holes 13, 15, 16 and 17 being partially completed. The mass grading and shaping of the remaining holes 1, 5, 10, 11, 12, 14 and 18 of the golf course are planned for late 1995 and early 1996.

14. **Cost Summary.** In summary, Petitioner has expended in excess of \$34,000,000 to construct or fund off-site and on-site improvements necessary to service and utilize the various developments under construction within the project area through June 30, 1995, and projects a substantial additional expenditure to complete the Project.

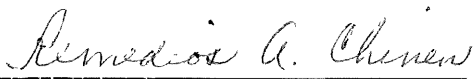
15. Approval of redistricting of the remainder of Parcel 7 of Increment II lands (Parcel 7A) from the Agricultural District to the Urban District at this time is essential to allow Petitioner to finalize arrangements with the State Department of Education concerning a school site and a park site.

Approval of the redistricting of Parcels 8, 19, 20 and 21, which form a cluster near Parcel 7, is also appropriate at this time since the infrastructure improvements necessary to service and facilitate the construction of the school and the park will also serve Parcels 8, 19, 20 and 21. Redistricting of Parcel 17 and the makai one-half of Parcel 16 is also appropriate as Project District infrastructure improvements are now approaching this section of the Project District. Accordingly, the redistricting of these parcels will allow Petitioner to effectively utilize infrastructure which will be in place for the development and will allow Petitioner to proceed with the uninterrupted development of the Puakea project.

16. This Affidavit is made in support of Petitioner's Motion to approve the redistricting of the balance of Increment II lands from the Agricultural District to the Urban District and to clarify the boundary of the Project District land along Kaumualii Highway.

  
\_\_\_\_\_  
GREG KAMM

\_\_\_\_\_  
Subscribed and sworn to before me this  
20~~24~~ day of July, 1995.

  
\_\_\_\_\_  
Notary Public, State of Hawaii

My commission expires: 12/26/95