

A subsidiary of



Grove Farm Properties, Inc.

P. O. Box 2069 Puhi Rural Branch Lihue, Hawaii 96766-7069 Phone: (808) 245-3678

JUL 2 12 55 PM '90
LAND USE COMMISSION
STATE OF HAWAII

LETTER OF TRANSMITTAL

Date: June 29, 1990

To: Ms. Esther Ueda, Executive Officer
State of Hawaii
Land Use Commission
Room 104, Old Federal Building
335 Merchant Street
Honolulu, HI 96813

Re: LUC Docket No. A89-636/Grove Farm Properties, Inc.
First Annual Report

We are sending you (X) attached () under separate cover the following:

Revised annual report as requested in your letter dated June 14, 1990.

These are transmitted as checked below.

- () For your information
- () For your files
- () For review and comment
- () For correction
- () For distribution
- (X) Per your request
- () Per our agreement
- () Per our conversation
- () Approved
- () Approved as noted
- () Disapproved
- () For payment

- () For necessary action
- () For signature in BLACK INK and RETURN
- () For signature in BLACK INK and FORWARD TO

- () For filing or recording
- () Check enclosed to cover filing or recording fee
- \$ _____
- () See remarks below

REMARKS:

cc: Mr. Dennis M. Lombardi
Mr. Harold Masumoto
Mr. Peter Nakamura

By David W. Pratt
David W. Pratt, President
and Chief Executive Officer

Grove Farm Properties, Inc.

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**Subject: LUC Docket No. A89-636/Grove Farm Properties, Inc.
First Annual Report**

In compliance with the Declaration of LUC Condition No. 13, Grove Farm Properties, Inc. submits the following annual report.

Subsequent to the State Land Use Commission's decision on June 15, 1989 granting re-districting of 480 acres in the Lihue/Puhi Project District, the Kauai County Planning Commission approved the project on December 14, 1989. The Kauai County Council granted zoning on February 28, 1990 and the Mayor signed the bill for an ordinance on March 13, 1990. The following major efforts have been initiated and are in progress:

Condition 1a. The availability of public services and facilities such as schools, sewers, parks, water, sanitation, drainage, road, refuse collection and disposal, police and fire protection, the adequacy thereof, and an assessment as to whether the anticipated density and uses to which the Property will be put would unreasonably burden State or County agencies; and how the Petitioner intends to aid in the resolution of any identified inadequate facilities or services.

Condition 1b. A detailed drainage analysis of the Property, including an assessment of the downstream impacts which would result upon approval of the Petitioner's application and the mitigative measures proposed with respect to all such impacts.

Condition 1c. A description and analysis of how the Petitioner proposes to provide its requested development with sewage and wastewater treatment and disposal.

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Condition 1d. A description of the Petitioner's proposed development schedule of all the land uses proposed and phasing development, which development schedule shall also include the address development of the Project's interior roadway system.

(In connection with the Petitioner's zoning application to the County, studies and reports were submitted to and accepted by the County satisfying these conditions.)

Condition 2a. Petitioner shall provide housing opportunities for low, low-moderate and moderate income Hawaii residents by offering for sale at least thirty percent (30%) of the units at prices which families with an income range of 80 to 120 percent of Kauai County's median income can afford and thirty percent (30%) of the units which families with an income range of 120 to 140 percent of Kauai County's median income can afford. This condition may be fulfilled through projects, under such terms as may be mutually agreeable, between Petitioner and the Housing Finance and Development Corporation of the State, or other appropriate governmental agency.

(This condition may also be fulfilled, with the approval of the Housing Finance and Development Corporation, through the construction of rental units to be made available at rents which families in the specified income ranges can afford.)

Condition 2b. The affordable housing requirements may also be satisfied in a manner that meets with the approval of the County of Kauai and the State Housing Finance and Development Corporation. Said requirements shall take into consideration affordable on-site (within the subject Petition Property) or off-site housing units or cash payments that satisfy the then current housing needs, or other necessary or desirable community facilities.

(We have concluded the search for an experienced developer to assist in meeting the requirements for providing affordable housing in accordance with the State and County guidelines regarding the number of units, mix and price schedules. The project will be implemented in three phases totaling over 700 units of single- and multi-family dwellings. Mapping, topographic survey, soils investigation and preliminary engineering have been initiated.)

Condition 3. Petitioner shall coordinate with the State of Hawaii and/or the County of Kauai, as appropriate, to ensure that drainage, as well as other infrastructural and

service systems, are compatible and developed in a timely fashion to prevent degradation of groundwater and coastal ecosystems. Such infrastructure shall be funded by the Petitioner.

Condition 4. Petitioner shall participate in or otherwise provide all additional planning studies related to the Project as required by the State Department of Transportation (DOT). Petitioner shall also participate in the funding and construction of on-site and off-site transportation improvements associated with the proposed development and in designs and schedules required, accepted and coordinated with the DOT. Petitioner shall also provide appropriate dedication of land for the widening of Kaumualii Highway fronting the proposed development and funding for project related signalization and intersection improvements as required by the DOT.

Condition 5. Petitioner shall fund and develop, as required by the County of Kauai and/or the State, as appropriate, the necessary measures required to obtain adequate supplies of water. Petitioner shall also fund and develop as necessary water storage and distribution systems for the proposed development. Petitioner shall obtain such permits as may be required by the State of Hawaii relating to Petitioner's development.

(Preliminary engineering for all major roadways and utilities has been started. This effort will provide engineering controls necessary to begin and complete each parcel independently to meet requirements of the total development plan.)

Condition 6. Petitioner shall comply with the requirements of the County of Kauai and the Department of Health of the State of Hawaii to expand existing on-site and off-site wastewater collection, treatment and disposal infrastructure facilities and shall include the proposed project as part of the Petitioner's master plan for a wastewater system.

(Preliminary investigation and engineering have begun for a proposed wastewater treatment facility to provide capacities for the project district as well as expansion capabilities for possible future sewerage of certain existing subdivisions.)

Condition 7. Petitioner shall pay its pro rata share for expansion of educational facilities by way of dedicating a site for such activities at a location within the Project

area and containing an area to be mutually agreed upon by the State Department of Education, but no more than ten acres, provided the State Department of Education elects to obtain such a site prior to the zoning of the Property.

(We have agreed to dedicate a ten-acre school site with an adjoining five-acre park. The location has been approved and details will be worked out with the State Department of Education.)

Condition 8. Petitioner shall provide a detailed preservation plan for the two (2) identified historical sites to be prepared and submitted for review and approval by the State's Historic Sites Section and the County of Kauai's Historic Preservation Commission. These agencies shall also verify the successful execution of this plan. This plan must be executed prior to construction. Should any new historical sites be identified during project construction, Petitioner shall provide a preservation or data recovery plan as required by the DLNR.

Should any archaeological resources such as artifacts, shell, bone or charcoal deposits, human burial, rock or coral alignments, pavings or walls be encountered during the project's development, Declarant shall immediately stop work and contact the State Historic Sites Section.

(A professional advisor will be selected to formulate details for review and approval by the State and County Historic Preservation Groups.)

Condition 9. Petitioner shall provide notification to all prospective occupants of the Property of the potential odor, noise and dust pollution resulting from surrounding Agricultural District lands, and that the Hawaii Right-To-Farm Act, Chapter 165, HRS, limits the circumstances under which pre-existing farming activities may be deemed a nuisance.

(All occupants will be notified of the potential odor, noise and dust pollution by way of covenants.)

Condition 10. Petitioner shall implement appropriate mitigation measures, as recommended by the County of Kauai to limit air and water soil erosion during construction phases which could potentially impact coastal areas.

(During construction activities, we will implement and adhere to all mitigation measures as recommended by the County of Kauai.)

Ms. Esther Ueda, Executive Officer
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Condition 11. Petitioner shall give notice to the Land Use Commission of any intent to sell, lease, assign, place in trust or otherwise voluntarily alter the ownership interest in the property prior to the development of the Property; provided, however, that entering into a joint venture for the development of portions of the affordable housing projects shall not require prior notice to the Land Use Commission.

(Any intention to alter ownership interest in the zoned property prior to development will be directed to the Land Use Commission for review.)

Condition 12. The Commission may fully or partially release these conditions as to all or any portion of the Property upon timely motion, and upon the provision of adequate assurance of satisfaction of these conditions by the Petitioner.

(N/A)

Condition 13. Petitioner shall provide annual reports to the Land Use Commission, the Office of State Planning and the County of Kauai Planning Department in connection with the status of the Project and Petitioner's progress in complying with the conditions imposed.

(Petitioner will provide annual reports as stated above.)

Condition 14. Petitioner shall develop the property in substantial compliance with representations made to the Land Use Commission in obtaining the reclassification of the Property.

(Petitioner will comply with representation made to the Land Use Commission in development of the property.)

The above report represents the first annual report. We trust it meets the requirements set forth in Condition No. 13 of the Declaration.

GROVE FARM PROPERTIES, INC.



David W. Pratt, President
and Chief Executive Officer

HT/ac

cc: Mr. Dennis M. Lombardi
Mr. Harold Masumoto
Mr. Peter Nakamura