

GROVE FARM PROPERTIES, Inc.
PO BOX 2069 PUHI RURAL BRANCH
LIHUE, KAUAI, HI 96766-7069

June 1, 1995

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

LAND USE COMMISSION
STATE OF HAWAII
JUN 2 1 28 PM '95

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

Dear Ms. Ueda:

In compliance with Condition No. 13 of the Decision and Order in the above matter, Grove Farm Properties, Inc. submits one original and fifteen copies of this annual report, due June 30, 1995.

Subsequent to the State of Hawaii 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 ordinance PM-206-90 on March 13, 1990. The following represents a condition-by-condition review. The condition is noted with the responsive comment in **bold type**.

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.

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 conditions 1a, 1b, 1c and 1d. Specific responses to your letter of 7/25/90 to Grove Farm regarding possible impacts on public services and facilities were contained in our 10/9/90 letter to you. They are reiterated and updated here:

Condition 1a:

1. After discussions with the Department of Education, a 10.0 acre school site has been selected and incorporated into the plan. A minimum 5.0 acres of park land is planned immediately adjacent to the school site. We have met with the Department of Education regarding their planning for the site.

2. The County has approved our private sewerage concept. The State Department of Health has approved our WWTP design. The 1st increment of the plant has been constructed and is in operation.

3. A total of 7.0 acres has been designated for County park so far, including the 5.0 acres mentioned in 1, above and 2.0 acres within the affordable housing. This will be adjusted to meet actual requirements, based on the County's Park Ordinance.

4. We are continuing with engineering for water, drainage and roadways. Certain areas have been completed and are under construction. Plans for other areas are under County review and some are still in design. Our water masterplan was approved by the County on 5/4/92.

5. We have reached agreement with the County of Kauai regarding our participation in the solid waste program. We have paid the County \$717,600.39 in this regard, which fulfills the requirement.

6. No additional burden is anticipated because of the project, including police and fire protection.

Condition 1b:

The overall drainage strategy agreed to with the Dept. of Public Works is to control storm water within the project by way of detention basins, primarily contained within the golf course area. Our drainage masterplan has been completed and was submitted for County review 4/9/92. The County approved the plan on 6/4/92. It will be updated as project engineering progresses.

Condition 1c:

We received approval from the State Health Department and County to construct a wastewater treatment plant (WWTP) on a 13.8 acre parcel. The area is somewhat larger than originally anticipated because the consultants have recommended a lagoon system and the larger site has sufficient area to accommodate some non-project flows, as requested by the County. The system is sized to handle the entire project incrementally. Treated effluent will be recycled to irrigate the golf course and agricultural lands. The 1st increment of the WWTP is complete and is in operation. The wastewater treatment facility project was approved by the County Planning Commission on 5/23/91 under Special Permit SP-91-9, Use Permit U-91-25 and Class IV Zoning Permit Z-IV-91-33. A project-wide sewerage masterplan was submitted to the County on 5/7/92.

Condition 1d:

The development schedule and phasing plan were transmitted to you as an enclosure to our letter of 10/9/90. Due to Hurricane Iniki, because the County initiated discussions on some plan revisions and to reflect the market on Kauai, the project has experienced some delays. The dates on the schedule should therefore be adjusted approximately 18 to 24 months. Other factors may create changes in the schedule, including the

the uncertainty of schedule and funding relative to the State DOE's construction of the new Middle School on Increment II lands and the continuing softness of the Kauai market. Due to Halehaka Landfill Closure plans by the County, we petitioned the LUC, along with the County, to move a 4.5 portion of Increment II (Parcel 12) into Increment I and reconfigure it. The LUC heard this matter, and approved it on 6/9/94.

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 entered into an agreement with Schuler Homes, Inc. to assist Grove Farm 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 Schuler project will be implemented in at least five phases totaling over 700 units of single- and multi-family dwellings. We hope to achieve 209 single family units and 504 multi-family units. County approvals and project fine-tuning

have resulted in numbers slightly different from those discussed in earlier annual reports. Off-site improvements have been completed. As of 4/15/94, a single-family subdivision of 209 lots had been approved and houses have since been completed on the lots. 208 of the house and lot packages have been sold and are occupied.

The first phase of the multi-family affordable housing (Phase 1A) is complete and contains 116 units, all but one of which are sold and occupied. The second phase (1B) containing 84 units has also been completed and the majority sold and occupied. The third phase (1C) containing 92 units is under construction and is scheduled to be completed by the end of 1995. Additional multi-family phases will be constructed based on market demand. They are currently planned to contain an additional 212 units in total.

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 infrastructure 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.

We are implementing our drainage masterplan in phases and under the direction of the County of Kauai, utilizing County-issued grading permits.

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.

Grove Farm funded a right-of-way study for the entire Kaumualii Highway frontage of the Project (and beyond) and is

working with DOT and Kauai Community College on its implementation. The study was submitted to DOT on 2/1/91, which has approved the concept. At the junction of Puhi Road and Kaumualii Highway, we have completed the required intersection improvements. Our planning is being coordinated with 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.

We have completed and received County approval on 5/4/92 of a domestic water masterplan for our Project, and are proceeding with its implementation, including necessary State permits. The first Amendment to the water masterplan was approved on 7/16/93.

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.

The County, with State Dept. of Health input, has approved the wastewater treatment facilities to provide capacities for the project district, as well as expansion capabilities for the County's possible future sewerage of certain existing subdivisions and State and County facilities. The 1st increment of the wastewater treatment facility is complete and in operation.

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 are being 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 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.

Preservation plans have been prepared for both sites. The plan for Halehaka Cemetery was dated October, 1991, and approved by DLNR per their letter of 3/2/92. The plan for the Manager's House was submitted 7/23/91. DLNR commented 9/9/91 and revisions were incorporated into it. It was approved on 8/28/92. Renovation and expansion work on the Manager's residence is expected and that work has been discussed with DLNR's State Historic Preservation Division. Specific plans will be submitted when complete.

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 or disclosure statements.

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.

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.

The Land Use Commission will be given notice of any intention to alter ownership interest in the zoned property prior to development. On 5/3/90 we notified you by letter of our intent to sell a portion of the Project to James Schuler & Associates (now Schuler Homes, Inc.) for affordable housing development, in accordance with the conditions of approval.

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.

No response required.

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 is providing 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 substantially comply with representations made to the Land Use Commission in development of the property.

The above is our sixth annual report, due 6/30/95. We trust it meets the requirements set forth in Condition No. 13 of the Decision and Order.

Sincerely,

A handwritten signature in black ink, appearing to be 'G. Kamm', followed by a long horizontal line.

Greg Kamm
Vice President

cc: Kauai Planning Department
Office of State Planning