

ORIGINAL

Of Counsel:
CASE & LYNCH

DENNIS M. LOMBARDI 3071-0
Suites 2500 and 2600
Grosvenor Center, Mauka Tower
737 Bishop Street
Honolulu, Hawaii 96813
Telephone No. 547-5400

Attorney for Petitioner
GROVE FARM PROPERTIES, INC.

LAND USE COMMISSION
STATE OF HAWAII
FEB 16 3 18 PM '89

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition)	DOCKET NO. <u>A89-636</u>
)	
of)	
)	
GROVE FARM PROPERTIES, INC.)	(GROVE FARM PROPERTIES, INC.)
)	
to Amend the Land Use District)	PETITION FOR LAND USE DISTRICT
Boundary of Property Situated at)	BOUNDARY AMENDMENT;
Lihue, Island and County of)	VERIFICATION
Kauai, State of Hawaii.)	
)	

DML/020989/2626K

PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT

GROVE FARM PROPERTIES, INC., a Hawaii corporation (hereinafter "Petitioner"), respectfully petitions this Honorable Commission for entry of an order amending the land use district classification of approximately 605 acres of land, hereinafter described, from the "Agricultural" to "Urban" district classification, and in support thereof alleges and presents the following:

GENERAL REQUIREMENTS FOR LAND USE BOUNDARY AMENDMENT

A. PETITIONER

The Petitioner is Grove Farm Properties, Inc., a Hawaii corporation. Its principal place of business and mailing address is P. O. Box 2069, Puhi Rural Branch, Lihue, Kauai, Hawaii 96766. Its telephone number is (808) 245-3678.

B. AUTHORITY FOR RELIEF SOUGHT

This Petition is filed pursuant to Hawaii Rev. Stat. § 205-4 and the Hawaii Land Use Commission Rules, Chapter 15-15 of the Hawaii Administrative Rules. The Land Use Commission is authorized to grant Petitioner's request pursuant to the provisions of Hawaii Rev. Stat. § 205-1 et. seq., as amended, and all applicable statutes and rules promulgated and governing the Land Use Commission, State of Hawaii.

C. AUTHORIZED REPRESENTATIVES

All communications concerning this Petition are to be served on the Petitioner and the following authorized representatives of Petitioner at the following addresses:

Petitioner:	DAVID W. PRATT, President Grove Farm Properties, Inc. P. O. Box 2069 Puhi Rural Branch Lihue, Kauai, HI 96766
Authorized Representative:	DENNIS M. LOMBARDI, ESQ. Case & Lynch Suites 2500 and 2600 Grosvenor Center, Mauka Tower 737 Bishop Street Honolulu, Hawaii 96813

D. DESCRIPTION OF THE SUBJECT PROPERTY

1. General Description. This Petition seeks to amend the land use district boundary classification of certain real property (hereinafter the "Property") described as follows:

Parcel of land situated at Lihue and Puhi, Kauai, the majority of which lies on the southerly side of Kaumualii Highway, on the westerly side of Nawiliwili Road and the easterly side of Puhi Road, designated as Kauai Tax Map Key No. 3-3-03: portion of parcel 1, 3-3-02, portion of parcel 1, and 3-4-05, portion of parcel 1, containing an area of approximately 605 acres, including roadways, and consisting of portions of Lot 879 as shown on Map 84, Lot 445A-3, as shown on Map 51, and Lot 707, as shown on Map 81, filed with the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1087 (as amended).

A map showing the location of the Property is attached to this Petition as Exhibit A. A metes and bounds description of the Property shall be submitted to the Commission prior to any public hearing on this Petition. Exhibit B, a map labeled Lihue Plan Master Plan Update (sometimes the "District Plan Map"), depicts the concept for development of the Property. On the map District Plan Map, parcel numbers have been assigned to individual use areas, with the exception of roadways and buffers. The assigned parcel numbers are used for reference throughout this Petition.

2. Existing Land Uses. The Property is currently in sugarcane cultivation and related uses. A detailed map showing existing land uses is appended to the Engineering Report contained in the Final Environmental Impact Statement (the

"Environmental Impact Statement" or "FEIS"). The FEIS is attached as Exhibit C. The Environmental Impact Statement has been accepted by the Planning Department of the County of Kauai in connection with the amendment of the County of Kauai General Plan designation for the substantial majority (approximately 92%) of the Petition Property from Agriculture to Urban Mixed Use.

E. RECLASSIFICATION SOUGHT AND PRESENT USE OF PROPERTY

This Petition seeks a reclassification of the Property from an "Agricultural" district to an "Urban" district in order to enable Petitioner to develop the Property as hereinafter described.

F. PETITIONER'S PROPRIETARY INTEREST IN PROPERTY

Petitioner's parent corporation, Grove Farm Company, Incorporated, a Hawaii corporation, is the fee owner of the Property. Pursuant to an Option Agreement, made effective November 15, 1985, a short form of which was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1087 (amended) as Document No. 1363999, as amended by that certain First Amendment to Option Agreement, dated January 2, 1989, Petitioner has an option to acquire the fee simple interest in the Property. A copy of the First Amendment to Option Agreement is attached as Exhibit D.

II

SPECIAL REQUIREMENTS FOR URBAN CLASSIFICATION

In accordance with the Hawaii Land Use Commission Rules, Section 15-15-50, and pursuant to the special requirements regarding petitions for urban classification, Petitioner submits and presents the following facts, data and other information:

A. PROPOSED DEVELOPMENT

The proposed development of the Property is the final phase of Grove Farm Properties, Inc.'s Lihue/Puhi Project District Plan (sometimes the "Project District" or "Project District Plan"). The overall Project District encompasses a total of approximately 932.5 acres. Multiple parcels within the Project District, representing approximately 327.5 acres, have received favorable reclassification approvals from this Commission, appropriate zoning approval, and the projects have either been completed or currently on-going. The remaining balance of 605 acres within the Project District is the subject of this Petition.

Approximately 1,961 new residential units are proposed on the Property, which will result in a total of 2,369 units within the overall Project District. Open space, recreation, utility, roadways and commercial support areas will also be provided. The land use concepts, as proposed for the Property are substantially consistent with those approved in the County of Kauai's General Plan, described at Section II, paragraph I

of this Petition, and reflected in the FEIS. The Parcels identified on the District Plan Map (Exhibit B) by number, including those that are the subject of this redistricting request, and the uses proposed for those parcels include the following:

<u>PARCEL NO.</u>	<u>USE</u>	<u>ACREAGE</u>	<u>DENSITY</u>	<u>UNITS</u>	<u>MARKET</u>	<u>AFFORDABLE</u>
1	MF Rental	5.0	40	200		200
2	Komohana Sub.			96		96
3	Puhi Subdivision			148		148
4	SF Residential	8.0	6	48		48
5	SF Residential	39.0	6	234		234
6	MF Residential	26.0	10	260		260
7	MF Residential	28.0	12	336		336
8	MF Residential	15.0	12	180	180	
9	SF Residential	8.5	4	34	34	
10	SF Residential	49.0	4	196	196	
11	SF Residential	40.0	4	160	160	
12	MF Residential	4.5	10	45	45	
13	Ulu Ko Sub.			164		164
14	SF Residential	3.5	4	14	14	
15	SF Residential	7.5	4	30	30	
16	SF Residential	38.0	4	152	152	
17	SF Residential	18.0	4	72	72	
18	Shopping Ctr. Exp.	14.0	0	0		
19	General Commercial	8.0	0	0		
20	General Commercial	7.5	0	0		
21	General Commercial	6.0	0	0		
22	Golf/Open	25.0	0	0		
23	Golf/Open	50.0	0	0		
24	Golf/Open	57.0	0	0		
25	Golf/Open	25.0	0	0		
26	Golf/Open	79.5	0	0		
	Roads/Misc.	43.0	0	0		
	Total:	605.0	124	2369	883	1486

In the aggregate, the proposed uses for the Petition Property include: General Commercial - 21.5 acres, a Shopping Center expansion area - 14.0 acres, Multi-Family Residential - 78.5 acres, Single-Family Residential - 211.5 acres, Golf

Course (and related amenities) - 236.5 acres, and Roads and Buffers - 43 acres.

B. PRELIMINARY PROJECT DATA AND DEVELOPMENT TIMETABLE

A Planning and Engineering Report (the "Planning and Engineering Report") that supplements the FEIS is attached as Exhibit E to this Petition. The Report describes, among other things, the land use concepts for the Project area, the land use plan, proposed infrastructure and the development time schedule contemplated to complete the project. This Report, together with the Lihue/Puhi Project District Plan Market Study (the "Market Study"), a summary of which is attached as Exhibit F, also provides preliminary project data addressing the projected number of lots, their size, the projected number of units, densities, selling prices, the intended market and projected costs. The complete Market Study will be made available to the Commission in advance of the prehearing.

As reflected in the Planning and Engineering Report, the residential development contemplated on the Property and the overall Project District addresses all market sectors - from affordable to market priced properties - through proposing some 200 apartment units, 821 multi-family units, which may consist of single family attached, townhouse, zero lot line, cluster housing, and apartment style units, and 940 single-family residential units. Single-family home sites are expected to range in size from 6,000 square feet to 10,000 square feet. House and lot packages may also be made

available. Although actual configuration of the development may vary based on final planning, the general housing mix proposed is expected to be maintained.

General Commercial facilities, west of Kukui Grove Village West, and an expansion area for the existing regional shopping center at Kukui Grove are also proposed within the Project Area. Parcels 19, 20 and 21 are designated for the development of general commercial facilities designed to serve the project population and adjacent residents. These facilities are expected to be patterned after existing shopping village facilities within the Project District and will include scattered free-standing, independent-lessee operated non-retail or mixed-retail commercial and professional buildings. The regional shopping center expansion area (parcel 18) will provide additional space for small and medium sized retail operations or relocation and expansion of existing larger retail operations within the existing regional shopping center.

Within the overall Project District there are a variety of existing or contemplated parks, passive recreational open spaces and commercial recreational facilities. The principal open space recreational facility proposed to be developed on the Petition Property is a golf course, with related clubhouse, restaurant, pro shop and maintenance facilities. In addition to providing ambient open space within the Project District, the golf course will provide needed recreational facilities in Lihue.

The Market Study (Exhibit F) underscores the need for the full spectrum of housing and commercial facilities proposed in this development. There is a current shortage of and a prospective demand for affordable and market priced housing on Kauai which can be addressed, in part, by this development. The need for the proposed golf course and its related facilities is equally obvious.

The proposed 18-hole, par 72 golf course will incorporate the Grove Farm Company manager's residence located at the junction of Nawiliwili Road and Halehaka Road into its clubhouse, which will be the focal point of the course. The course's routing plan is intended to enhance the proposed surrounding residential development and create an intermediate skill level course (requiring skill levels between those needed at the Westin-Kauai and the Kauai County course at Wailua).

Although population on Kauai is not relatively large over 100,000 rounds of golf every year are played on the County's golf course at Wailua. Indeed, over 120,000 rounds of golf were played at Wailua during the County's fiscal year 1986-1987, by both residents and non-residents. Essentially, from a maintenance perspective, the course is overused and is subject to increased deterioration due to these factors. On this basis and on the basis of increasing demand for playing time, a golf course in the Lihue/Puhi area is absolutely needed and will be beneficial for Kauai. A new non-resort course at Lihue will help to reduce negative impacts on Wailua Golf

Course and will provide an alternative to residents and visitors alike who wish to avoid the higher green fees at the Westin Kauai.

C. PETITIONER'S FINANCIAL CONDITION

As reflected in the Planning and Engineering Report the cost to construct the improvements contemplated by this Petition (together with the associated cost of expanding or relocating the existing private sewage treatment facility) is estimated to be \$65,000,000.00 to \$75,000,000.00.

The 1987 annual report (the latest available audited financial statement) of Grove Farm Company, Incorporated, in which is included the financial statement of Petitioner is attached hereto as Exhibit G. This report indicates that Petitioner is in sound financial condition and is capable of undertaking and completing the project as contemplated. Petitioner has available (through its parent corporation and affiliates) sufficient assets, in addition to the Petition Property, if necessary, to sufficiently collateralize any financial borrowing or undertaking determined necessary or expedient by Petitioner to implement the proposed project.

D. EFFECTS UPON RESOURCES

No significant detrimental effects upon the environmental, agricultural, recreational or historical resources of the area are anticipated as a result of the proposed development of the Property. A detailed analysis and discussion of the effects upon the area's resources and the

probable impacts is presented in the Environmental Impact Statement (Exhibit C) as supplemented by the Planning and Engineering Report (Exhibit E) and the various studies hereinafter mentioned. The following summarizes and highlights the analysis and discussion contained in the Environmental Impact Statement and these studies.

1. Environment:

No significant adverse environmental impact, which cannot be adequately mitigated, is expected to result from the development of the Petition Property. As an example, although soil permeability will be reduced through the development of the lands and runoff will, as a result, increase, the extent and pattern of runoff can be controlled adequately. Those impacts are detailed in the engineering study which is part of the FEIS (Exhibit C) and the Planning and Engineering Report (Exhibit E).

2. Agriculture:

The Property must be removed from The Lihue Plantation Co., Ltd.'s sugarcane production to allow the proposed development. Grove Farm Company, Incorporated ("Grove Farm"), was involved in sugar production between the years 1865 and 1974 and during the latter part of this period maintained 10,000 acres of land in sugarcane cultivation, of which 7,800 acres were owned in fee and 2,200 acres were leased from the Knudsen Trusts. Upon termination of its sugar production, Grove Farm leased 5,000 acres of its lands to McBryde Sugar

Company, Limited, and 2,800 acres of its lands to Lihue Plantation. Both of these leases are for a term of 21 years, having commenced in 1974. The lease from the Knudsen Trusts for the 2,200 acres, with 21 years remaining, was assigned in 1974 to McBryde Sugar Company. As part of the leasing process, approximately 870 acres, Class B lands, in the Aakukui area of Kauai was offered by Grove Farm to Lihue Plantation as part of the lease, but Lihue Plantation declined to lease this area. Notwithstanding this fact, the disposition by Petitioner of its former sugar lands has strengthened the operations of both Lihue Plantation and McBryde Sugar.

The current lease from Grove Farm to Lihue Plantation terminates in 1994. Renewal of the lease for all the covered acreage is not expected. Additionally, the lease provides for optional withdrawals of leased land by the Petitioner. Grove Farm intends to exercise its rights of withdrawal in an orderly manner so that Lihue Plantation may continue the sugar production on surrounding lands until the termination of its lease in 1994.

The proposed withdrawal of the Property from sugarcane cultivation is expected to have only a minor effect upon the agricultural industry on Kauai and Lihue Plantation, recognizing available improved farming methods. Moreover, any impact that does result is more than outweighed by the need to address the affordable and market housing demands existing on Kauai.

3. Recreation: The proposed development is not expected to significantly increase the use of existing State or County recreational facilities. Rather, the proposed development of a golf course will supplement the already overburdened Wailua Golf Course, and together with existing parks and approved commercial recreational facilities, will respond to the present need for increased recreational facilities in the Lihue area. These facilities are intended to be used by the public and will be beneficial to both the local and visitor population.

4. Historic - Archaeological:

Attached as Exhibit H to this Petition is an Archaeological Surface and Subsurface Inventory Survey for the Lihue/Puhi Project District Area. Only two sites within the Project Area have been identified, including a Japanese cemetery which is to be preserved, and the former Grove Farm residence, which is to be incorporated into the proposed golf course facilities. The only portable remains discovered at the site was a ceramic potsherd which has been preserved. A supplemental survey is currently underway to address that small portion of the Petition Property not covered by the attached survey. That supplemental survey will be provided to the Commission as soon as it is available.

5. Vegetation - Flora: The existing vegetation on the site consists mainly of cultivated sugarcane with the remainder consisting of gulches and wasteland. A Botanical Survey of the area is attached as Exhibit I. No endangered or

threatened species (or candidate species) of flora were identified. A supplemental survey is currently underway to address that small portion of the Petition Property not covered by the attached survey. That supplemental survey will be provided to the Commission as soon as it is available.

6. Wildlife - Fauna: A Survey of Avifauna and Feral Mammals at the Project Site is attached as Exhibit J. No endangered or threatened species are identified in the report, which concludes, in part, that the proposed development may actually create a more diverse range of habitats and benefit certain migrant species of avifauna. A supplemental survey is currently underway to address that small portion of the Petition Property not covered by the attached survey. That supplemental survey will be provided to the Commission as soon as it is available.

7. Air Quality: Air quality, generally, will be affected by construction activities on the Property related to the proposed development and by increased automobile traffic in the area. During construction, dust and exhaust from equipment will be emitted. Dust will be controlled by watering and other appropriate methods. The construction equipment to be utilized is essentially the same in terms of air quality impacts as cane cultivation and harvesting equipment. As a result, no additional impact from construction is perceived. The impact of traffic on air quality is addressed in the Environmental Impact Statement (Exhibit C) and in the Planning and Engineering Report (Exhibit E).

8. Water Quality: Improvement of the Property is expected to return the site drainage pattern to its natural runoff system. The implications and description of the drainage resulting from the proposed development are detailed in the Planning and Engineering Report (Exhibit E) and the Environmental Impact Statement (Exhibit C). Very little effect is anticipated on existing water quality in the area even after construction of the proposed development is completed. During construction, siltation measures will be practiced as required by the Kauai County Public Works Department.

9. Traffic Impact. A summary of the Traffic Impact Assessment Report detailing the probable impact of future vehicular traffic to be generated by the proposed project and measures to be undertaken in respect thereof is attached as Exhibit K to this Petition. The completed version of the report will be provided prior to the prehearing on this matter. Petitioner expects that the development, being located next to the center of commerce and employment on the island, will mitigate prospective traffic impacts.

E. DESCRIPTION OF CHARACTERISTICS OF THE PROPERTY

Characteristics of the Property, including the topography, drainage, soil conditions, and soil classification are discussed in detail in the Environmental Impact Statement (Exhibit C) and the Planning and Engineering Report (Exhibit E). The following summarizes relevant characteristics of the Property.

1. Elevation: The Property ranges from 100-330 feet above sea level.

2. Terrain: The Property consists of gently sloping land with no visible rock outcrops or other distinguishing physical characteristics.

3. Drainage: The Property gently slopes in a southeast direction. Generally, drain inlets and conduits will collect storm water and direct it to existing natural drainage ways. Measures will be implemented to maintain existing runoff levels.

4. Rainfall: Average annual rainfall in the area is approximately 50 inches.

5. Hazards: The Property is not susceptible to natural hazards such as flooding and is removed from the risk of tsunami inundation.

6. Soil Description and Land Classification:

The United States Department of Agriculture Soil Conservation Service Survey (1972) has classified the soil on the Property as having predominantly LhB (Lihue Series, dark, reddish brown, silty clay (0 to 8 percent slope) and Pnb (Puhi silty clay loam with 3 to 8 percent slope soils), which are characterized by moderately rapid permeability, slow runoff and only slight erosion hazard. Other soil classifications of the Property are detailed in the FEIS (Exhibit C). The shrink-swell potential is classified as moderate and the corrosivity of the soil is classified as low for uncoated steel and moderate for concrete. Engineering interpretations for these types of soil indicate no unusual conditions which would

affect construction. The Property's soil is suitable for the proposed development.

The detailed land classification prepared by the University of Hawaii Land Study Bureau for Kauai in 1967 designates the Property as containing predominantly B4li and B78i rated soils. Other lands within the Project area are rated C, D and E by the Land Study Bureau classification. These ratings indicate general productivity ratings on a scale of A through E. As an example, 41 indicates a soil type of Lihue silty clay, 78 indicates the soil type of Puhi silty clay, and i indicating that the area is irrigated. The ratings do not take into account historic yields on the Property or the effect, if any, of climatic conditions on the soils productivity. Further information regarding characteristics of the Property is contained in the FEIS (Exhibit C).

F. AVAILABILITY OF PUBLIC SERVICES and FACILITIES

The availability and adequacy of public services and facilities such as schools, water, electrical power, sanitation, health care and police and fire protection for the proposed development is discussed in detail in the Environmental Impact Statement (Exhibit C) and in the Planning and Engineering Report (Exhibit E). The present services and facilities are adequate for the proposed development and public agencies providing such services and facilities will not be unreasonably burdened by the proposed development.

1. Sewage Treatment and Disposal: No public sewer system is currently available in the project area. All facilities proposed in the development will be connected to the existing or to a newly developed private sub-regional sewage treatment plant or will be serviced through connection to the Lihue Plant.

2. Water: The Kauai Water Department has indicated that it expects adequate water sources will be available to accommodate the proposed development. However, the Water Department will not guarantee availability at this time. Current water storage facilities are adequate for the existing development. Moreover, addition to those facilities is expected. Accordingly, no detrimental impact on water storage facilities and supply is anticipated.

3. Sanitation: Refuse and garbage disposal services will be provided by contract to local private concerns. County service will be available for single family residential lots and certain multi-family residences.

4. Electricity: Local utility supply is adequate to respond to the anticipated demand relating to the proposed development.

5. Gas: Local utility supply is adequate to respond to the anticipated demand to be generated by the proposed development.

6. Telephone: Local utility supply is adequate to satisfy the anticipated demand relating to the proposed development.

7. Police and Fire Protection: Police service for the proposed development area is provided by the Lihue Station, located approximately 1.3 miles from the center of the Property. Fire protection service to the proposed development area is provided by the Lihue Fire Station, located approximately 1.5 miles from the center of the Property. Adequate fire fighting water at the proposed development will be available from a hydrant system to be constructed as part of the development, and connected to the County water system.

8. Health Services: The proposed development area will be served by Wilcox Hospital, located approximately 2.0 miles from the Property. A variety of private medical services are available within the Project District.

9. Parks: A number of public and private park facilities have been constructed by the Petitioner within the Project District area. All will be available to the residents of the area.

G. RELATIONSHIP TO ADJACENT URBAN DISTRICTS

The Property is adjacent and contiguous to and is in part bounded by the existing State Land Use Urban Districts at Lihue and Puhi. The Property is directly adjacent to Kukui Grove Commercial Village, Commercial Village West, the regional Kukui Grove Shopping Center, and the recently completed Ulu Ko residential subdivision on its easterly border. On the west, the Property is bounded by the Puhi residential subdivision and the Puhi Industrial Park. The proposed development is a

logical extension of the adjacent areas and the reclassification of the Property as proposed would result in a contiguous urban district between Lihue and Puhi. The proposed classification will not result in scattered or disaggregate urban growth.

H. EMPLOYMENT AND ECONOMIC CONSIDERATIONS

The contiguous urban areas at Puhi and Lihue are centers for employment on the Island of Kauai. The proposed development will compliment these areas. The development will generate both short-term and long-term employment opportunities and employment income for Kauai residents. It will provide numerous temporary jobs in construction-related occupations and a magnitude of employment opportunities for Kauai residents and entrepreneurs, with an associated multiplier effect on the overall economy of the island. Some of these effects are detailed in the Market Study (Exhibit F).

Employment and income effects of the proposed golf course alone are significant, entailing direct as well as indirect and induced impacts during both the temporary construction phase and long-term operational phase of the golf course facility. Impacts associated with increased economic opportunities attributable to the proposed commercial facilities and the construction of residential properties are equally beneficial. In addition to the general increase in personal income resulting from such employment, associated government revenues attributable to personal income, general

excise and real property tax levies is expected to increase. Further, it is anticipated that nearly all of such employment opportunities will be filled by residents of Kauai. It is not expected that jobs in the aggregate will be lost by the withdrawal of the Property from sugarcane cultivation.

I. COUNTY GENERAL PLAN

According to the Kauai County General Plan, all of the Property, excepting approximately 49 acres, is included within an "Urban Mixed Use" designation, which anticipates a planned mix of urban uses within the area. The boundary of the County General Plan Urban Mixed Use Area overlaid on the District Plan Map is shown on Exhibit L (the "General Plan Overlay Map"). But for the referenced 49 acres, no General Plan amendment is required to accommodate the proposed development as the present County designation allows the types of uses proposed by Petitioner. An amendment of the County's General Plan designation for the remaining 49 acres covered by this Petition, which are currently within the Agricultural District, will be sought concurrently with a zoning change for those properties.

J. COUNTY ZONING

Currently, the Property is classified within the County's agriculture use zoning district (A) and a very small portion may be classified within the open use zoning district (O). In addition to a variety of other approvals, County Planning Commission and County Council approvals

regarding zoning are required before Petitioner may develop the Property as proposed.

K. UNIQUE DEVELOPMENT FEATURES AND LONG RANGE PLANS

The proposed development is not unique or unusual for the area. It will not alter the characteristics of the immediate area of the community. The proposed development represents a logical step in the transition of the development area from agricultural to urban classification.

L. AFFORDABLE HOUSING NEEDS.

The development proposed by the Petitioner seeks to address current and projected affordable housing needs on Kauai. A more detailed description of the manner in which the Petitioner expects to respond to affordable housing needs in the County is contained in both the Planning and Engineering Report (Exhibit E) and the Market Study (Exhibit F).

M. NECESSITY FOR PROPOSED CLASSIFICATION

Lihue is the commercial and governmental core of the County of Kauai. With the continuing increase in the County's population and the probable expansion of governmental services, there is a present and continuing need for residential, recreational and commercial facilities in the area surrounding Lihue and Puhi. An assessment of the need for the proposed project is detailed in the Market Study (Exhibit F) and the FEIS (Exhibit C).

N. CONFORMANCE WITH HAWAII STATE PLAN

Based upon the facts, data and information presented in this Petition and contained in the attached exhibits, and such other evidence as may be submitted by Petitioner, the proposed development is consistent with the Hawaii State Plan as set forth in Hawaii Rev. Stat. ch. 226, as amended.

The proposed development will assist both the short-term and long-term growth of the area's economy. In addition to increasing the number of jobs directly available to Kauai County residents, the proposed development will encourage businesses that have favorable financial multiplier effects within Hawaii's economy. The proposed development will also promote and protect intangible resources in Hawaii, through the construction of additional recreational facilities for Kauai residents, which are vital to a healthy economy. Moreover, the development will respond to an existing housing shortage for affordable and market priced homes and home sites on Kauai.

O. COMPLIANCE WITH LAND USE DISTRICTING STANDARDS

Based upon the facts, data and information presented in this Petition, its exhibits, and such other evidence as may be submitted by Petitioner, the proposed development is consistent with the standards and criteria set out in Hawaii Land Use Commission Rules, § 15-15-18(1) through (8), inclusive, and § 15-15-77 to the extent that such standards and criteria may be applicable. Briefly reiterated, the proposed

development is consistent with the relevant Land Use Commission Urban district standards in that:

1. The proposed development will be within an area consisting of lands characterized by "city-like" concentrations of people, structures, streets, an urban level of services and other related land uses.

2. The Property is in close proximity to Kauai's major trading, employment, governmental and social centers.

3. The economic feasibility of the proposed development has been substantiated by Petitioner.

4. Basic services such as electricity, gas, sewer, water, sanitation, schools, parks, and police and fire protection are available or can be provided to the Property at a reasonable cost without negative impact on such services.

5. The substantial majority of the Property (approximately 92%) is designated by the County for "Urban Mixed Use". The districting permits planned mix or urban uses.

6. The topography of the Property is amenable to urban development. The Property is free of unstable soil conditions and the proposed development will have no significant adverse effects upon the environment.

7. The Property is contiguous to and is indeed bounded on multiple sides by existing Urban districts and is in an appropriate location for a logical and reasonable extension of the Urban districts for future growth. The proposed development of the Property will not contribute to scattered

urbanization, nor will it require an unreasonable investment in public facilities or services.

8. The Project will increase employment opportunities in the County and facilitate economic development of the island. The Project will not adversely impact valued cultural, historical or natural resources (including those relevant to the state's economy), nor require the commitment of state funds and resources. At the same time, the Project will make provision for housing opportunities for all income groups in the County, as well as provide for the maintenance of scenic open spaces, through the construction of a golf course, within the Project District.

P. ENVIRONMENTAL IMPACT STATEMENT

An environmental impact statement is not required pursuant to the provisions of Chapter 343 of the Hawaii Revised Statutes.

Q. SHORELINE PROTECTION ACT

The Property does not fall within the Kauai County Coastal Zone Special Management Area. This fact was determined by consultation with the Kauai County Planning Department and review of the relevant SMA maps. Accordingly, the Coastal Zone Management Act, Hawaii Rev. Stat. Ch. 205A, as amended, does not apply to the development and/or action requested by this Petition.

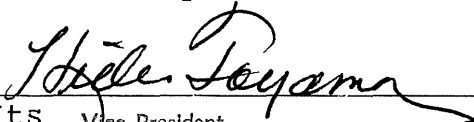
R. CONCLUSION

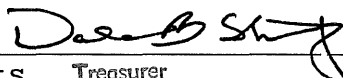
In accordance with the foregoing, Petitioner submits that the district boundary amendment requested by Petitioner complies fully with the requirements set forth in Hawaii Rev. Stat. § 205-4, that the proposed boundary amendment is reasonable, that it does not violate Hawaii Rev. Stat. § 205-2, and that it is consistent with the provisions of the Hawaii State Planning Act, Hawaii Rev. Stat., ch. 226, as amended.

WHEREFORE, Petitioner respectfully requests a decision and order amending the Land Use District Boundary of the Property from "Agricultural" district to "Urban" district.


DATED: Lihue, Kauai, Hawaii, February 13, 1989.

GROVE FARM PROPERTIES, INC.,
a Hawaii corporation

By 
Its Vice President

By 
Its Treasurer

CASE & LYNCH

By 
DENNIS M. LOMBARDI
Attorneys for Petitioner

VERIFICATION

_____ Hideo Toyama _____ and _____ Dale B. Sherretz _____, the persons above named, being duly sworn, on oath depose and say that they are the _____ Vice President _____ and _____ Treasurer _____ of Grove Farm Properties, Inc., a Hawaii corporation, and as such is authorized to make this verification on behalf of the corporation; that they have read the foregoing Petition and have full knowledge of the contents thereof, and that the same are true to the best of their knowledge, information and belief.

Hideo Toyama

Dale B. Sherretz

Subscribed and sworn to before me
this 13th day of February, 1989.

Remedios A. Chiu
Notary Public, State of Hawaii

My commission expires: 12-26-91

Of Counsel:
CASE & LYNCH

DENNIS M. LOMBARDI 3071-0
Suites 2500 and 2600
Grosvenor Center, Mauka Tower
737 Bishop Street
Honolulu, Hawaii 96813
Telephone No. 547-5400

Attorneys for Petitioner
GROVE FARM PROPERTIES, INC.

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition)	DOCKET NO. _____
)	
of)	(GROVE FARM PROPERTIES, INC.)
)	
GROVE FARM PROPERTIES, INC.)	
)	
to Amend the Land Use District)	
Boundary of Property Situated at)	
Lihue, Island and County of)	
Kauai, State of Hawaii.)	
)	

3096K/021489

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the date set forth below, the following designated copies of a true and correct copy of the PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT was duly served upon the those noted below by depositing unfiled copies of same in the United States Mail, postage prepaid, and addressed as follows::

Mr. Harold Matsumoto
Office of State Planning
Room 410, State Capitol
Honolulu, HI 96813

Mr. Tom Shigemoto
Planning Director
Kauai City Planning Department
4280 Rice Street
Lihue, Kauai, HI 96766

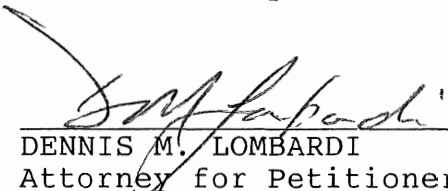
Kauai County Planning Commission
c/o Mr. Tom Shigemoto
4280 Rice Street
Lihue, Kauai, HI 96766

John Anderson, Esq.
Deputy Attorney General
465 South King Street, Room 200
Honolulu, HI 96813

Michael Belles, Esq.
County Attorney
Office of the County Attorney
County of Kauai
4444 Rice Street, #230
Lihue, Kauai, HI 96766

The Lihue Plantation Company, Ltd.
2970 Kele Street
Lihue, Kauai, HI 96766

DATED: Honolulu, Hawaii, February 16, 1989.


DENNIS M. LOMBARDI
Attorney for Petitioner

In the Matter of the Petition of GROVE FARM PROPERTIES, INC. to
Amend the Land Use District Boundary of Property Situated at
Lihue, Island and County of Kauai, State of Hawaii.