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LAND USE COMMISSION  
STATE OF HAWAII

2015 MAR -4 P 3: 36

BEFORE THE LAND USE COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Petition of	)	DOCKET NO. A89-646
	)	
QUEEN LILIUOKALANI TRUST	)	THE OFFICE OF PLANNING'S
	)	SUPPLEMENTAL RESPONSE TO
To amend the Agricultural District	)	QUEEN LILIUOKALANI TRUST'S
Boundary into the Urban District for	)	MOTION FOR ORDER MODIFYING
approximately 919.366 acres and to Amend	)	THE FINDINGS OF FACT,
the Conservation District Boundary into the	)	CONCLUSIONS OF LAW, AND
Urban District for approximately 188.353	)	DECISION AND ORDER FILED
acres, at Keahuolu, Island, County and State	)	AUGUST 28, 1991; EXHIBIT 1;
of Hawaii, Hawaii	)	CERTIFICATE OF SERVICE
Tax Map Key Nos. 7-4-08: por. 2, por. 12	)	
	)	

THE OFFICE OF PLANNING'S SUPPLEMENTAL RESPONSE TO QUEEN  
LILIUOKALANI TRUST'S MOTION FOR ORDER MODIFYING THE FINDINGS OF  
FACT, CONCLUSIONS OF LAW, AND DECISION AND ORDER FILED AUGUST 28, 1991

The Office of Planning (OP) supports the Petitioner's Motion for Order Modifying the Findings of Fact, Conclusions of Law, and Decision and Order filed August 29, 1991 (Motion to Modify). The Petitioner filed its Motion to Modify on August 14, 2015 requesting that the Land Use Commission (LUC), remove 212.333 acres of Agricultural land located makai of Queen Kaahumanu Highway from the Petition Area.

**I. Factual Summary**

**A. The Motion to Modify**

On August 28, 1991, the LUC issued its Findings of Fact, Conclusions of Law, and Decision and Order (1991 Decision and Order) redistricting approximately 545 acres into the

Urban District. These 545 acres comprised Phase I and II of the project. The LUC also approved the incremental districting of Phase III of the project which is approximately 212 acres. Phase III was to be redistricted upon a prima facie showing that the Petitioner has substantially completed the first increment, subject to the 25 conditions of approval established in the 1991 Decision and Order. At this time, Phases I and II are not substantially complete and Phase III remains in the Agricultural District. No residential uses were proposed in the original petition, but will be proposed in the forthcoming new petitions described below.

B. Phase III

1. New Proposal for 15 Acres in Phase III.

The less than 15-acre area shown on Petitioner's Exhibit 1 will be processed as a County District Boundary Amendment, along with other permits and approvals. Petitioner indicates that this area will become part of the Makalapua Project District for mixed use commercial, residential, hotel development, community facilities, and open space.

2. New Petition and Land Use Plan for Remainder of Phase III.

The Motion indicates that the Petitioner will file a new Petition for reclassification for the remainder of the land area in Phase III. The plans for the remainder of Phase III will need to be clearly described when the petition for reclassification is submitted to the LUC.

If LUC approves the Motion to Modify, the 25 conditions set forth in the 1991 Decision and Order would be released with respect to Phase III. Thus, OP requested that the Petitioner provide more information on the land use plan for Phase III, including the less than 15-acre area proposed for development, so that OP could obtain more informed comments from State agencies on the Motion to Modify.

C. Petitioner's Supplemental Memorandum

On January 14, 2016, Petitioner submitted more information in Petitioner's Second Supplemental Memorandum In Support of Its Motion for Order Modifying the Findings of Fact, Conclusions of Law, and Decision and Order Filed August 28, 1991 (Second Supplemental Memorandum).

Petitioner confirmed that the 25 conditions created in the 1991 Decision and Order would be released from Phase III. (Petitioner's Supplemental Memorandum page 11, Item 3). Petitioner indicates that the proposal includes the following uses:

- a. Approximately 180 residential dwelling units;
- b. 180-room hotel;
- c. 50,000 square feet of community facilities;
- d. 470,000 square feet of commercial use, a major retail center;
- e. Open space features

The new Petition for the remaining lands in Phase III is anticipated to be submitted around the end of 2016, along with a motion to amend the 1991 Decision and Order to allow residential uses within Phases I and II.

D. Agency Comments

Based upon this supplemental information, OP inquired with certain state agencies regarding the Motion to Modify. OP concludes that both the petition for county redistricting and the petition for reclassification are likely to generate issues of statewide interest. For example, the state Department of Transportation (DOT) indicates that the Petitioner has been in preliminary discussions with DOT. On January 14, 2016, the DOT submitted a letter to the Petitioner, with a copy to OP, with the following comments:

1. Road A, a proposed road connecting the development to Queen Kaahumanu Highway between Hale Makai Street and Makala Boulevard, shall be configured as a right-turn in and right turn out (RIRO) for both highway approaches.
2. The proposed Manawalea Boulevard intersection with Queen Kaahumanu Highway shall be eliminated.
3. A Traffic Impact Analysis Report (TIAR) shall be prepared and submitted to HDOT for review and acceptance. The TIAR shall include a discussion and calculation of the new QLT development's fair-share contribution for regional roadway improvements and may propose specific improvements that would satisfy the project's fair-share contribution.

The State DOT is concerned that while they have had preliminary discussions with the Petitioner regarding regional impacts, the above stated comments regarding the roadways, and a TIAR, should also be seriously considered during the processing of the district boundary amendment for the less than 15-acre area and in the future new docket. OP will be asking that Petitioner comply with the DOT recommendations. See OP Exhibit 1..

OP also notes that section 205-3.1(d), HRS, requires the county land use decision-making authority to serve a copy of the county redistricting application to the LUC and the Department of Business, Economic Development and Tourism (DBEDT), and requires the county land use decision-making authority to also provide notice of the time and place of the hearing and the proposed amendments scheduled to be heard at the hearing. The statute does not provide a clear deadline in which the notification must occur. In order to provide meaningful and timely input from state agencies, OP has asked the Petitioner to send one hard copy and one electronic copy of the application to OP within 24 hours of filing. OP would regard this service as an adequate service of the application upon DBEDT.

## **II. Recommendation**

Based upon the particular facts and circumstances of this case, and the additional information provided by the Petitioner in their Second Supplemental Memorandum, OP supports the Petitioner's Motion to remove 212.333 acres of Agricultural Land Makai of Queen Kaahumanu Highway currently designated for incremental districting to the Urban District from the docket and the Petition Area that is subject to the 1991 Decision and Order (Phase III), provided that timely notice is appropriately given pursuant to section 205-3.1(d), HRS.

OP recommends that the Petitioner comply with the DOT recommendations, including submittal of a TIAR, prior to submittal of the county Petition.

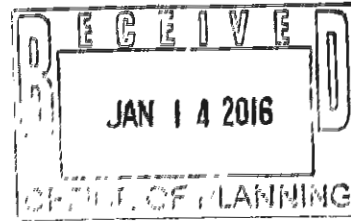
OP also strongly recommends that the Petitioner and the County consult with the State Department of Transportation, Department of Education, Department of Defense, Department of Land and Natural Resources, and Department of Health, prior to the reclassification of the less than 15-acre area.

DATED: Honolulu, Hawaii, this 4th day of March 2016.

OFFICE OF PLANNING  
STATE OF HAWAII

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IN REPLY REFER TO:  
HWY-PS 2.1541

January 14, 2016

Mr. Michael Shibata  
Development Manager  
Queen Liliuokalani Trust  
1100 Alakea Street, Suite 1100  
Honolulu, Hawaii 96813

Dear Mr. Shibata:

Subject: Queen Liliuokalani Trust  
Land Use Commission Docket No. A89-646  
Keahuolu Development Project  
Keahuolu, North Kona, Hawaii,  
TMK: (3) 7-4-008: Por. 2, Por. 12

Queen Liliuokalani Trust (QLT) received approval for development of lands for commercial purposes designated as Phase 1, Phase 2 and Phase 3 under Land Use Commission Docket A89-646, Decision and Order dated August 28, 1991. Phase 3 was subject to incremental redistricting, from Agriculture and Conservation to Urban, based on progress on the development of Phases 1 and 2.

In 2015, QLT submitted a motion to amend the Decision and Order of 1991 to separate Phase 3 to allow for a different development plan. One aspect of this change would be the inclusion of residential development within the previously all commercial development.

QLT has been engaged in preliminary discussions with the Hawaii Department of Transportation (HDOT) to develop an understanding of roadway network changes and improvements that may be needed. The primary State facility in this vicinity is Queen Kaahumanu Highway, State Route 19, a principal arterial and National Highway System route for transportation between Kailua-Kona, Keahole International Airport, Kawaihae Harbor, Town of Waimea and Hilo, the County seat.

From the preliminary discussions, the HDOT has the following comments:

1. Road A, a proposed road connecting the development to Queen Kaahumanu Highway between Hale Makai Street and Makala Boulevard, shall be configured as a right-turn in and right-turn out (RIRO) for both highway approaches.

Mr. Michael Shibata  
January 14, 2016  
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2. The proposed Manawalea Boulevard intersection with Queen Kaahumanu Highway shall be eliminated.
3. A Traffic Impact Analysis Report (TIAR) shall be prepared and submitted to HDOT for review and acceptance. The TIAR shall include a discussion and calculation of the new QLT development's fair-share contribution for regional roadway improvements and may propose specific improvements that would satisfy the project's fair-share contribution.

If there are any questions, please contact Nami Wong, Systems Planning Engineer, Highways Planning Branch, at (808) 587-6336. Please reference file review number PS 2015-192 in all contacts and correspondence regarding these comments.

Sincerely,



*FNF* FORD N. FUCHIGAMI  
Director of Transportation

c: Matt Nakamoto, Austin Tsutsumi & Associates, Inc.

bc: Office of Planning (Lorene Maki), STP, DEP-HWY, HWY-H, -T, -D, -PS (2015-192)

RI:emk

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing was served upon the following by either hand delivery or depositing the same in the U.S. Postal Service by regular mail.



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DATED: Honolulu, Hawaii, this 4th day of March 2016.

  
 LEO R. ASUNCION  
Director  
Office of Planning