

ORIGINAL

**Petition for Land Use  
District Boundary Amendment**

JUL 6 8 54 AM '94  
LAND USE COMMISSION  
STATE OF HAWAII

**Kaonoulu Industrial Park**

**July  
1994**

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition of )  
 )  
 KAONOULU RANCH )

Docket No. A94-706

To Amend the Agricultural Land Use )  
 District Boundary into the Urban )  
 Land Use District for )  
 approximately 88 acres at )  
 Kaonoulu, Makawao-Wailuku, )  
 Maui, Hawaii; Tax Map Key Nos. )  
 2-2-02:por. of 15 and 3-9-01:16 )

PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT

TO THE HONORABLE LAND USE COMMISSION OF THE STATE OF HAWAII:

COMES NOW, KAONOULU RANCH, a Hawaii limited partnership, whose managing general partner is Henry Rice, Petitioner herein, for an amendment to the land use district boundary to effect district reclassification of approximately 88 acres of land in the Agricultural District at Kaonoulu, Makawao-Wailuku, Maui, Hawaii, to the Urban District, and for this purpose, the Petitioner alleges and shows that:

I

JURISDICTION AND AUTHORITY FOR RELIEF SOUGHT

This petition is filed pursuant to Section 205-4, Hawaii Revised Statutes, as amended, and Section 15-15-46, Hawaii Land Use Commission Rules; and the Commission is authorized to grant the relief sought herein pursuant to Chapter 205, Hawaii Revised Statutes, and every other authority thereunto enabling.

II

PLACE OF BUSINESS

Petitioner is a Hawaii limited partnership, having its principal place of business at 55 North Church Street, Wailuku, Maui, Hawaii, and its mailing address at P. O. Box 1141, Wailuku, Maui, Hawaii 96793.

III

STATEMENT OF FINANCIAL CONDITION

The statement of financial condition of Petitioner is attached hereto as Exhibit "1" and made a part hereof.

IV

COMMUNICATION AND SERVICE OF PROCESS

All correspondence, communications, notices, orders and other papers in this matter shall be addressed to and served upon Petitioner's attorney, B. Martin Luna, as follows:

B. Martin Luna, Esq.  
Carlsmith Ball Wichman Murray Case & Ichiki  
2200 Main Street, Suite 400  
Wailuku, Maui, Hawaii 96793

Telephone No. (808) 242-4535

V

DESCRIPTION OF THE PROPERTY

The real property which is the subject of this petition, hereinafter referred to as "Property", is shown on the applicable tax maps attached hereto as Exhibit "2" and made a part hereof. The metes and bounds description and a map of the Property are attached hereto as Exhibit "3" and made a part

hereof. The Property's approximately 88 acres are within the Agricultural District. A portion of the property is situated at Tax Map Key No. 3-9-1:16, and a portion of the property is situated at Tax Map Key No. 2-2-02:por. of 15. The Petitioner shall provide such other descriptions, maps or surveys of the Property as the Commission may require for purposes of this petition.

VI

PETITIONER'S PROPERTY INTEREST

Kaonoulu Ranch is the fee simple owner of the Property. A copy of the deed on the property is attached hereto as Exhibit "4".

VII

LOCATION AND CURRENT USE OF PROPERTY

The Property is located in the Kaonoulu ahupua'a, Wailuku and Makawao District, Island of Maui. From the intersection of Piilani Highway and Kulanihakoi Gulch, the Property boundary extends approximately 2,370 feet in a generally northerly direction following the east or mauka edge of the Piilani Highway right-of-way. The boundary of the Property then extends approximately 1,766 feet in an easterly or mauka direction. The boundary of the Property extends approximately 2,050 feet in a southerly direction to Kulanihakoi Gulch. The Property's boundary, along its southern extent, is approximately 1,660 feet following along the north

edge of the Kulanihakoi Gulch. The above-described location of the Property in relation to surrounding land uses is more particularly shown on Exhibit "2".

The Property is currently vacant and is being used for cattle grazing purposes. Vegetation is predominantly buffelgrass and kiawe.

#### VIII

##### RECLASSIFICATION SOUGHT AND PROPOSED USE OF PROPERTY

The Petitioner proposes the reclassification of the Property's approximately 88 acres from the State Agricultural District to the State Urban District. The Petitioner proposes to develop the Kaonoulu Industrial Park, a 123-lot commercial and light industrial subdivision, within the Property. Improved lots are proposed to be sold in fee simple or leased on a long-term basis. The size of the lots will range from approximately 14,000 square feet to 54,000 square feet.

#### IX

##### DESCRIPTION OF SURROUNDING AREAS

The project is intended to satisfy the existing needs of South Maui and anticipated future growth of the area. The Property presents a convenient location for future commercial and light industrial development. It is located along Piilani Highway, a two-lane, two-way State arterial highway. From its northern terminus with North/South Kihei Road, Piilani Highway extends to the Wailea-Makena region.

To the north of the Property, there are several commercial and light industrial uses clustered near Piilani Highway. Uses include a gasoline filling station, a commercial light-industrial complex, and a cold and self storage facility. Further mauka or east, there is a commercial nursery as well as vacant lands.

On the mauka or eastern side of the Property, there are broad expanses of vacant dry grassland which extend gradually higher in elevation to the Kula region. Kulanihakoi Gulch and vacant properties border the Property to the south. Lands further south include the Kihei Research and Technology Park and Silversword Golf Course. The Property is bounded on the makai or west side by Piilani Highway. Further makai lies the Ka Ono Ulu Estates residential subdivision and the Maui Lu Resort.

The Detailed Land Classification of the Land Study Bureau, University of Hawaii, rates the Property's overall (master) productivity rating as "E", or very poorly suited for agricultural production. The State Agricultural Lands of Importance to the State of Hawaii (ALISH) system classifies lands into "Prime", "Unique", and "Other Important Agricultural Land". The remaining lands are Unclassified. According to the ALISH system, all but a three (3) acre area at the southwest corner of the Property, is Unclassified. Three (3) acres at the southwest corner of the property is classified "Prime". The Property is part of an approximately 6,000 acre parcel

owned by Kaonoulu Ranch and used for cattle pasture. The conversion of three (3) acres of prime land will not have a significant effect upon the existing operations of Kaonoulu Ranch or agriculture in the State of Hawaii.

The Property is designated Zone "C", an area of minimal flooding, by the Flood Insurance Rate Map.

Currently, runoff from lands mauka of the Property sheet flows through the Property by means of an existing natural drainageway. The drainageway discharges into Kulanihakoi Gulch approximately 1,200 feet down stream of the Petition Area. Off-site and on-site runoff is proposed to be discharged into Kulanihakoi Gulch. With regard to drainage, the proposed project will not adversely affect adjoining properties.

X

MARKET ASSESSMENT

A market feasibility study and economic report for the proposed project dated June 1, 1994, and prepared for Maui Realty Company, Inc. is attached hereto as Exhibit "5" and made a part hereof.

In general, the proposed project will provide new employment opportunities for Maui residents. Moreover, currently there is a shortage of commercial and light industrial space for businesses servicing the Kihei-Makena region. Given the growth anticipated for the Kihei region,

businesses will increasingly prefer to locate in Kihei rather than in Maui's urban core. Thus, it is expected that the entire project can be marketed by the year 2000, if all parcels are developed and available for sale by late 1996. The proposed project within the Property provides commercial and light industrial business and employment opportunities to better serve the existing population.

XI

PROPOSED COST AND DEVELOPMENT TIMETABLE

Total projected cost of the project is \$19,929,995 (in 1994 dollars) for cost items as follows:

<u>Item</u>	<u>Onsite</u>	<u>Offsite</u>	<u>Total</u>
Site Work	\$3,024,000	--	\$3,024,000
Roadway	\$3,514,760	\$500,000	\$4,014,760
Drainage System	\$2,058,670	--	\$2,058,670
Water System	\$1,175,300	\$1,330,100	\$2,505,400
Sewer System	\$1,260,100	\$2,267,500	\$3,527,600
Electrical/ Telephone System	\$2,200,000	--	\$2,200,000
		Sum of All Costs:	\$17,330,430
		15% Contingency:	\$ 2,599,565
		PROBABLE CONSTRUCTION COST:	\$19,929,995

It is anticipated that the project will be available for sales in the fourth quarter of 1996. This target date assumes the orderly processing of the necessary land use approval requests and avoidance of undue delay.



XII

REQUIRED FACTS, DATA AND INFORMATION

The facts, data and other information required by Section 15-15-50, Hawaii Land Use Commission Rules, are set forth in this petition and in said Exhibits "1" to "5", inclusive, and Exhibit "6", entitled Project Assessment Report -- Kaonoulu Industrial Park," dated June, 1994, prepared by Munekiyo & Arakawa, Inc., attached hereto, including all appendices appended to said exhibits. The Project Assessment Report includes information concerning: (1) the effects of the development upon the environment, agriculture, recreational, cultural, historic, scenic, flora and fauna, or other resources in the area; (2) the availability of public services and facilities such as schools, sewers, parks, water, sanitation, drainage, roads, police and fire protection; (3) economic impacts of the proposed development including provision of employment opportunities and relationship to centers of trading and employment; (4) an assessment of the need for the reclassification; and (5) other information pertinent to the project and the requested boundary amendment. The facts, data and other information contained in the exhibits are specifically incorporated herein by reference.

The proposed reclassification of the Property from the Agricultural District to the Urban District does not constitute an action for which the Commission shall prepare an

environmental assessment to determine whether an environmental impact statement is required under Section 343-5, Hawaii Revised Statutes.

The Property does not fall within the Special Management Area delineated on the maps established by the County of Maui pursuant to Section 205A-23, Hawaii Revised Statutes.

### XIII.

#### CONFORMITY TO THE HAWAII STATE PLAN

The reclassification of the Property, which is proposed to be developed as the Kaonoulu Industrial Park, would promote the following objectives, policies and guidelines of the Hawaii State Plan set forth in Chapter 226 of the Hawaii Revised Statutes:

A. Section 226-5, HRS, Objective and policies for population

226-5(a), HRS: It shall be the objective in planning for the State's population to guide population growth to be consistent with the achievement of physical, economic, and social objectives contained in this chapter.

In support of this objective, the proposed reclassification is consistent with Hawaii State Plan policies:

226-5(b)(1), HRS: Manage population growth statewide in a manner that provides increased opportunities for Hawaii's people to pursue their physical, social, and economic aspirations while recognizing the unique needs of each county.

226-5(b)(2), HRS: Encourage an increase in economic activities and employment opportunities on the

Neighbor Islands consistent with community needs and desires.

Comment: Currently there is a shortage of commercial and light industrial space for businesses servicing the Kihei-Makena region. The proposed project within the Property provides commercial and light industrial business and employment opportunities to better serve the existing population.

B. Chapter 226-6, HRS, Objectives and Policies for the Economy - in General

226-6(a)(1), HRS: Increased and diversified employment opportunities to achieve full employment, increased income and job choice, and improved living standards for Hawaii's people.

In support of this objective, the proposed reclassification is consistent with the following Hawaii State Plan policies:

226-6(b)(4), HRS: Expand existing markets and penetrate new markets for Hawaii's products and services.

226-6(b)(8), HRS: Encourage labor-intensive activities that are economically satisfying and which offer opportunities for upward mobility.

Comment: The project is proposed as a commercial and light industrial park which would provide needed business services in the region. The project will provide additional job choice in an area with predominantly resort and service-oriented employment opportunities. In the long term, Kihei will serve as a commercial and industrial hub for development along the southwestern coast from Maalaea to Makena. The

Kaonoulu Industrial Park site will emerge as a regional focal point for distribution activity as well as light industrial activities.

C. Priority Guidelines of the Hawaii State Plan Chapter 226-103:

226-103(1): Seek a variety of means to increase the availability of investment capital for new and expanding enterprises.

(a) Encourage investments which:

- (i) Reflect long term commitments to the State;
- (ii) Rely on economic linkages within the local economy;
- (iii) Diversify the economy;
- (iv) Reinvest in the local economy;
- (v) Are sensitive to community needs and priorities; and
- (vi) Demonstrate a commitment to management opportunities to Hawaii residents.

Comment: The project is proposed as an industrial park which would be sold in fee simple to purchasers. Uses are anticipated to primarily be light industrial and commercial uses oriented to serve the Kihei-Makena community. By siting the light industrial development at the Property, in proximity to the Research and Technology Park and existing commercial and industrial establishments, on Piilani Highway and the prospective terminus of the proposed Upcountry highway, the potential for sales and employment multiplier impacts from

business establishment formation at the Property on the greater Kihei area is significant.

D. Chapter 226-104, HRS, Population Growth and Land Resources

The proposed reclassification conforms with the following priority guidelines for regional growth distribution and land resources utilization set forth in 226-104(b), HRS:

226-104(b)(1), HRS: Encourage urban growth primarily to existing urban areas where adequate public facilities are already available or can be provided with reasonable public expenditures and away from areas where other important benefits are present, such as protection of important agricultural land or preservation of lifestyles.

226-104(b)(2), HRS: Make available marginal or non-essential agricultural lands for appropriate urban uses while maintaining agricultural lands or importance in the agricultural district.

Comment: The proposed reclassification is located in close proximity to areas where public facilities are available. The Property is designated "E" or very poorly suited for agricultural use by the Land Study Bureau. Under the ALISH system, most of the Property is "Unclassified". However, approximately three (3) acres of the Property near Kulanihakoi Gulch and Piilani Highway is classified as "Prime". The Property is part of an approximately 6,000 acre parcel owned by Kaonoulu Ranch and used for cattle pasture. The conversion of three (3) acres of prime land will not have a significant effect upon the existing operations of Kaonoulu Ranch or agriculture in the State of Hawaii.

XIV

CONFORMITY TO STATE FUNCTIONAL PLANS

The State Energy and Transportation Functional Plans implement the Hawaii State Plan by identifying needs, problems and issues, and by recommending policies and priority actions which address the identified areas of concern. The proposed reclassification request is consistent with the following objective and policies of the respective plans.

1. Energy Functional Plan

Objective: Promote energy efficiency through land use and support facility systems planning.

Policy: Wherever feasible, direct future urbanization into easily serviceable, more compact, concentrated developments next to existing urban areas.

2. Transportation Functional Plans

Policy: Encourage energy conservation by developing transportation systems which support more compact and concentrated developments within existing urban areas.

Comment: The Property is contiguous to existing urban areas. An existing light industrial area already in the State Urban District abuts the Property to the north. Moreover, the proposed project serves to provide commercial and light industrial space in the Kihei-Makena region where there currently is limited space available. Rather than relying on goods and services located in the Wailuku-Kahului area, the project allows for reduction in transportation and other transactions costs arising from its proximity within the

Kihei-Makena region. This promotes energy efficiency and conservation.

XV

CONFORMITY TO COUNTY PLANS

A. Maui County General Plan

The Maui County General Plan, updated in 1991, sets forth broad objectives and policies to help guide the long-range development of the County. As expressed in the Maui County Charter:

The purpose of the General Plan is to recognize and state the major problems and opportunities concerning the needs and the development of the County and the social, economic and environmental effects of such development and set forth the desired sequence, patterns and characteristics of future development.

The proposed request to reclassify approximately 88 acres from the Agricultural District to the Urban District is in keeping with the following General Plan objective and policy:

Objective: To provide an economic climate which will encourage controlled expansion and diversification of the of the County's economic base.

Policy: Maintain a diversified economic environment compatible with acceptable and consistent employment.

Comment: The proposed project will provide commercial and light industrial space which is needed to service the Kihei-Makena region. There is currently a limited supply of light industrial properties in Kihei. Parcels within

the subdivision are anticipated to be marketed and sold between the years 1996 to 2000.

B. Kihei-Makena Community Plan

The Property is located within the Kihei-Makena Community plan region, one of nine Community Plan regions established in the County of Maui. Planning for each region is guided by the respective Community Plans, which are designed to implement the Maui County General Plan. Each Community Plan contains recommendations and standards which guide the sequencing, patterns, and characteristics of future development in the region.

Land use guidelines are set forth by the Kihei-Makena Community Plan Land Use Map. The Property is designated Project District 3 by the existing land use map. A description of the project district is noted in the community plan as follows:

"(Kihei Mauka) approximately 88 acres. This project district is located mauka of Piilani Highway and north of Kulanihakoi Gulch.

A mixture of single family and multi-family uses are envisioned for this residential project district."

However, the County of Maui is currently in the process of comprehensively updating each community plan. The process involves review by the Kihei-Makena Citizen Advisory Committee (CAC), the Department of Planning, the Maui Planning Commission and the Maui County Council.



The Kihei-Makena CAC reviewed the plan from May 1992 to December 1992 and formulated a recommendation memorandum to the Planning Director. Petitioner initially had proposed a revision to the description of Project District 3 envisioning a mix of industrial, residential, recreational and public amenities. The CAC recommended approval of the proposal.

The Planning Director then reviewed the CAC's recommendations and formulated his own recommendations. The Director proposed amending the Property's existing community plan designation from Project District 3 to Light Industrial.

The Maui Planning Commission then reviewed the package of recommendations to the Kihei-Makena Community Plan. The Commission agreed with the Director's recommendation of a Light Industrial designation for the Petition Area. A public hearing was held in September 1993 with the entire set of recommendations being transmitted to the Maui County Council in January 1994. Maui County Council action on the proposed changes to the community plan is pending.

The proposed project would conform with the proposed Light Industrial designation for the Property. Light industrial uses include warehousing, light assembly, and service and craft-type industrial operations.

C. Zoning and Special Management Area/Coastal Zone Management Area

The Property is not zoned by the County of Maui. However, appropriate zoning will be sought subsequent to the

establishment of the Urban State land use designation on the Property. The Property is located within the Coastal Zone Management Area, pursuant to Chapter 205A, HRS. However, it is located outside of the County Special Management Area boundary. The proposed request is in keeping with the objectives and policies of the Hawaii Coastal Zone Management Program.

XVI

STANDARDS FOR URBAN BOUNDARIES

Based upon the evidence contained in said exhibits and by the evidence adduced and to be adduced herein, the Property meets the standards applicable in establishing boundaries for the Urban District as such standards are set forth in Section 15-15-18, Hawaii Land Use Commission Rules, as the same or so much thereof may be applicable to the Property.

XVII

REASONABLENESS OF BOUNDARY AMENDMENT


Based upon the evidence contained in said exhibits and upon the evidence herein set forth, the boundary amendment requested herein is reasonable and is not violative of Section 205-2, Hawaii Revised Statutes, and consistent with the policies and criteria established pursuant to Sections 205-16, 205-17 and Chapter 205A, Hawaii Revised Statutes, as applicable.

WHEREFORE, Petitioner requests that the Land Use Commission amend the land use district boundary of the Property in the manner proposed and requested by this petition.

DATED: Wailuku, Maui, Hawaii, June 30,

1994.

KAONOULU RANCH

By  \_\_\_\_\_

HENRY RICE  
Its Managing General Partner

VERIFICATION

HENRY RICE, the person named, being duly sworn on oath, deposes and says that he is the Managing General Partner of Kaonoulu Ranch, a Hawaii limited partnership, and as such is authorized to make this verification on behalf of Kaonoulu Ranch; that he has read the foregoing petition and knows the contents thereof; and that the same are true to the best of his knowledge, information and belief.

  
HENRY RICE

Subscribed and sworn to before me  
this 30th day of June,  
1994.

Mary E. Alsam  
Notary Public, State of Hawaii

My commission expires: 4-24-95

6282L

