

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)
KUILIMA DEVELOPMENT COMPANY)
To Amend the Agricultural Land Use)
District Boundary into the Urban)
Land Use District for approximately)
236 acres at Kahuku, Koolauloa,)
Oahu, Hawaii, Tax Map Key Nos.:)
5-6-03: 37, 41, 42, 43, 44 and)
portion 40, 5-7-01: portion 17 and)
portion 33)

DOCKET NO. A85-595
KUILIMA DEVELOPMENT
COMPANY

This is to certify that this is a true and correct
copy of the Decision and Order on file in the office
of the State Land Use Commission, Honolulu Hawaii.

MAR 27 1986 by *Robert L. ...*
Date Executive Officer

FINDINGS OF FACT,
CONCLUSIONS OF LAW AND
DECISION AND ORDER

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FINDINGS OF FACT, CONCLUSIONS OF
LAW, AND DECISION AND ORDER

Kuilima Development Company, a Hawaii general partnership, (hereinafter referred to as "Petitioner") filed this Petition on June 14, 1985, and amended this Petition on July 11, 1985 and on October 7, 1985, pursuant to Chapter 205, Hawaii Revised Statutes, and the Rules of Practice and Procedure of the Land Use Commission, State of Hawaii, to amend the land use district boundary of approximately 236 acres of land situate at Kahuku, Koolauloa, County of Honolulu, State of Hawaii, Oahu Tax Map Key Nos.: 5-6-03: 37, 43, portion of 40, portion of 41, portion of 42 and portion of 44, 5-7-01: portion of 33 (hereinafter referred to as the "Property"), from the Agricultural District to the Urban District for resort and golf course uses. The Land Use Commission (hereinafter referred to

as the "Commission"), having heard and examined the testimony, evidence, argument of counsel, the proposed findings of fact and conclusions of law, presented at the hearing, hereby makes the following findings of fact and conclusions of law, and decision and order:

PROCEDURAL MATTERS

1. The Commission conducted the hearing on the Petition on October 16, 1985, pursuant to notice published in the Honolulu Star-Bulletin on September 3, 1985.

2. Abe Kealoha, Raymond Ako, James Zane, Millie Keawe, and Guy Nakamoto testified as public witnesses on October 16, 1985.

3. The Commission received no petitions to intervene.

DESCRIPTION OF THE PROPERTY

4. The Property is located at Kahuku, near the northernmost point of the island of Oahu. The Property's boundaries are: to the south, Kamehameha Highway; to the east, Marconi Road (also known as the Kahuku Airport Road); to the north, the shoreside Conservation District; and to the west, the existing Turtle Bay Hilton and Country Club, also known as the Kuilima Resort, and the Punahoolapa Marsh.

5. Most of the Property is vacant. Sand dunes and the abandoned Kahuku airfield are located on the makai side of the Property.

Approximately 138 acres of the Property are leased by four farmers on a month-to-month basis but only 20 acres of the

Property is in active crop production.

6. Petitioner, a wholly-owned subsidiary of Prudential Insurance Company of America, owns approximately 225 acres of the Property and leases from the Trustees Under the Will and of the Estate of James Campbell ("Campbell Estate"), the balance of 11 acres. Campbell Estate has consented to the Petition for boundary amendment.

7. A majority of the Property is flat with an elevation ranging between five to ten feet above sea level. Rainfall in the area, including the Property, averages approximately 40 inches annually.

8. The Land Study Bureau's "Detailed Land Classification - Island of Oahu" classifies most of the soils within the Property as "C" and "E". Eighty-one acres adjacent to Kamehameha Highway are classified as "A" and "B".

9. The United States Department of Agriculture's Soil Conservation Service Soil Survey Report for the island of Oahu identifies four soil series within the Property: Pearl Harbor, Jaucas, Waialua and Kaena.

The Pearl Harbor (Ph) soils are very poorly drained on nearly level coastal plains. They developed in alluvium overlying organic material. In a representative profile the surface layer is very dark gray, mottled clay about 12 inches thick. The subsoil is very dark gray and very grayish-brown, mottled clay that has angular and subangular blocky structure. The substratum is muck or peat. The soil is neutral in the

surface layer and mildly to moderately alkaline in the subsoil. Permeability is very slow. Runoff is very slow to ponded, and the erosion hazard is no more than slight. These soils are appropriate for taro, sugarcane, and pasture. The natural vegetation consists of cattails, mangrove trees, California grass, and sedges.

The Jaucas Series, 0 to 15 percent slopes (JaC) consists of excessively drained, calcareous soils that occur as narrow strips on coastal plains, adjacent to the ocean. They developed in wind- and water-deposited sand from coral and seashells. Jaucas sand, 0 to 15 percent slopes, in most places does not exceed 7 percent slope. In a representative profile the soil is single grain, pale brown, to very pale brown, sandy, and more than 60 inches deep. In many places the surface layer is dark brown as a result of accumulation of organic matter and alluvium. The soil is neutral to moderately alkaline throughout the profile. Permeability is rapid, and runoff is very slow to slow. The hazard of water erosion is slight, but wind erosion is a severe hazard where vegetation has been removed. These soils are appropriate for pasture, sugarcane, truck crops, alfalfa, recreational areas, wildlife habitat, and urban development.

The Waialua Series, 0 to 3 percent slopes (WkA) and 3 to 8 percent slopes (WkB), consists of moderately well drained soils on alluvial fans. These soils developed in alluvium, weathered from basic igneous rock. They are nearly level to

steep. Waialua silty clay, 0 to 3 percent slopes, is located on smooth coastal plains. In a representative profile the surface layer is dark reddish-brown silty clay about 12 inches thick. The subsoil, about 265 inches thick, is dark reddish-brown and reddish-brown silty clay that has subangular blocky structure. The substratum is dark reddish-brown, mottled silty clay. The soil is neutral in the surface layer and slightly acid in the subsoil. Permeability is moderate. Runoff is slow, and the erosion hazard is no more than slight. Waialua silty clay, 3 to 8 percent slopes, exhibits slow runoff and slight erosion hazard. Waialua soils are appropriate for sugarcane, truck crops, orchards, and pasture. The natural vegetation is swollen fingergrass, koa haole, and uhaloa.

Kaena Series consists of very deep, poorly drained soils on alluvial fans and talus slopes. These soils developed in alluvium and colluvium from basic igneous material. They are gently sloping to steep and are commonly stony. In a representative profile of the surface layer of Kaena clay, 2 to 6 percent slopes (KaB), the soil is very dark gray clay about 10 inches thick with few or no stones. The next layer is 36 to more than 48 inches thick and is dark-gray and dark grayish-brown clay that has prismatic structure. It is underlaid by highly weathered gravel. The soil is very sticky and very plastic, and is mottled. It is slightly acid to neutral. Runoff is slow, and the erosion hazard is slight.

This soil is appropriate for sugarcane, truck crops, pasture, and urban development.

10. The Department of Agriculture in its Agricultural Lands of Importance to the State of Hawaii (ALISH) classification system classifies approximately 25 percent of the south-mauka corner of the Property as "prime agricultural land", and the central portion and the south-west corner as "other important agricultural land". The remaining balance in the makai portion of the Property is not classified.

11. The Federal Insurance Administration in its Flood Insurance Rate Map for Oahu indicates that the makai portion of the Property is subject to the 100-year tsunami inundation with approximate inundation ranging between 6 and 18 feet above sea level. Portions of the Property are designated Zone "AH" indicating areas of 100-year shallow flooding with depths between 1 and 3 feet above sea level. The 100-year flood has a one percent chance of being equaled or exceeded in any given year.

12. The Property surrounds Punahoolapa Marsh which is not part of this Petition for Urban classification and will remain in the Agricultural District.

PROPOSAL FOR DEVELOPMENT

13. Petitioner proposes to develop the Property as part of the Kuilima Resort Expansion area (hereinafter referred to as the "Resort"). The Resort will be a low density resort development and include two activity areas - the western

portion consisting of hotels and a commercial complex, and the eastern portion consisting of low density residential and recreational uses. The Resort will include the following uses:

KUILIMA RESORT EXPANSION

Property

<u>Land Use</u>	<u>Acres</u>	<u>Units</u>
Golf Course (portion)	132	
Resort Condominium Units	78	1,000
Public Beach Park (portion)	10	
Private Park	6	
Stable	<u>10</u>	<u> </u>
Subtotal	236	1,000

Existing Urban District Proposed for Development

<u>Land Use</u>	<u>Acres</u>	<u>Units</u>
Hotels (3 new, one for expansion)	69	1,450
Resort Condominiums	59.2	1,063
Public Parks	31.8	
Private Parks	2	
Commercial	9	
Golf Course (portion)	62	
Club House	<u>5</u>	<u> </u>
Subtotal	<u>238</u>	<u>2,513</u>
TOTAL	474	3,513

14. Petitioner proposes to preserve Punahoolapa Marsh, in accordance with the U.S. Fish and Wildlife Service's recommendations, by constructing a moat and chain link fence around the marsh to improve drainage, opening additional waterways and creating new islands within the waterways. Petitioner will also provide a six-acre park adjacent to the marsh to provide an "area for the public to observe the animals within the marsh".

15. Petitioner proposes to develop the following off-site improvements: one production water well, one standby well, a new reservoir, new distribution lines and a wastewater treatment plant.

16. Petitioner estimates the total infrastructure costs for all resort improvements, in 1984 dollars, to be approximately \$82,000,000.00 of which the first phase of development would be approximately \$32,000,000.00.

Petitioner estimates that \$5,224,000.00 would be needed to fund construction of off-site infrastructure improvements for the Property.

17. Petitioner proposes to include the following improvements in the first phase: sewage treatment plant, improvement of portions of Kamehameha Highway fronting the resort, drainage improvements, internal roadway, wells, water distribution system, electrical/telephone lines, improvement of Punahoolapa Marsh, improvement of existing golf course, new

golf course, hotel along Kawela Bay, commercial area, building pads for condominium sites and a stable.

18. Petitioner proposes to start constructing the first phase condominiums on the Property by 1988 after obtaining all necessary governmental approvals.

PETITIONER'S FINANCIAL CAPABILITY
TO UNDERTAKE THE PROPOSED DEVELOPMENT

19. Petitioner's balance sheet as of September 30, 1984, list total assets and total liabilities of \$18,511,552.00 and a net worth of \$18,511,552.00. Petitioner is a wholly-owned subsidiary of Prudential Insurance Company of America whose balance sheet as of December 31, 1983, lists total assets and total liabilities of \$72,249,000,000.00 and a net worth of \$72,249,000,000.00.

STATE AND COUNTY PLANS AND PROGRAMS

20. The Property is classified Agricultural on the State Land Use Commission's Official Land Use District Boundary Map 0-7.

21. The City and County of Honolulu ("County") Koolauloa Development Plan Land Use Map designates the Property as Golf Course, Resort, Park and Agriculture.

22. County zoning ordinance map designates the Property in P-1 Preservation and AG-1 Agriculture.

23. A portion of the Property along the coast is in the County's Special Management Area.

NEED FOR THE PROPOSED DEVELOPMENT

24. Petitioner's marketing consultant, the Hallstrom Appraisal Group, Inc., ("Hallstrom") forecasts a demand for a total of 59,700 resort units on Oahu by the year 2000 which is a 21,000 resort unit increase over current island totals. Hallstrom anticipates the Resort could absorb between 5,000 and 6,000 resort units.

Hallstrom also indicated the demand for resort condominiums at the Resort will exceed demand at other resort destinations because: lack of proximate competing inventory; Oahu's recognition as a visitor destination area; and a low sales price.

Petitioner believes that these condominiums can be sold at a rate of 90 to 200 units annually.

25. Hallstrom projects that major destination resorts which currently have a twenty percent share of Hawaii's total resort units (approximately 12,405 hotel and condominium units) will increase that share to 37.56% or 40,000 units by the year 2000.

26. Petitioner believes the Kuilima Resort area needs to achieve a "critical mass" in order to be a successful destination resort area, and that the 1,000 resort condominium units proposed for the Property will play an important part in attaining critical mass and in a successfully marketing of the proposed Resort development.

27. Petitioner anticipates the proposed Resort could generate approximately 2,600 jobs on site and approximately 6,300 job opportunities on an island-wide basis.

28. Petitioner projects that when completed, the proposed Resort would generate net revenues of approximately \$3,600,000.00 annually mainly from excise and income taxes.

29. Petitioner proposes to develop 3,500 resort units in the Resort which is below the 5,000 to 6,000 resort units Hallstrom forecasted could be supported in the area.

30. The State Tourism Functional Plan Technical Reference Document and the County General Plan designate the Kuilima area as an appropriate area for accommodating the growing visitor industry. The County's 1985 Koolauloa Development Plan plans for 4,000 additional resort units within the Kuilima Resort area.

IMPACT UPON RESOURCES OF THE AREA

Agriculture

31. Petitioner's agricultural economist, Dr. Frank Scott, Jr., prepared an agricultural feasibility study for the Property. Dr. Scott concluded that no adverse impacts on agriculture would result from redistricting the Property from the Agricultural to the Urban District, except for the displacement of four farmers who currently have month-to-month lease agreements.

Petitioner is working closely with the farmers presently occupying the Property, and proposes to assist them

in relocating to Campbell Estate or Castle & Cooke, Inc. lands in Central Oahu.

Flora and Fauna

32. Earthwatch conducted vegetation surveys in 1978 and 1984 for the proposed Resort and observed no listed or proposed endangered or threatened plant species on the Property or in the remainder of the Resort.

33. Dr. Andrew J. Berger surveyed the entire Kuilima Resort area and observed four endangered waterbirds: Koloa or Hawaiian Duck, Hawaiian gallinule or 'Aloe 'Ula, Hawaiian coot or 'Alae Ke'oke'O, and the Hawaiian stilt or Ae'O in the Punahoolapa Marsh.

34. Petitioner proposes to improve the marsh to enhance the habitat for the endangered waterbirds as described in Finding of Fact No. 14. The Department of Land and Natural Resources ("DLNR") recommended that the Petitioner carry out improvements to Punahoolapa Marsh in accordance with recommendations of the U. S. Fish and Wildlife Service and the DLNR.

Archaeological/Historical Resources

35. Bishop Museum conducted a surface reconnaissance survey of the Property in 1977 and Dr. Paul Rosendahl conducted a subsurface reconnaissance survey of the Property in 1984 and identified both prehistoric and historic-period occupation remains.

The more significant remains are located along the coast. Dr. Rosendahl recommends that sites F4-14 and T-1, located along the coastal stretches of Kahuku Point, require immediate attention to prevent further destruction by sand vehicles.

36. Petitioner will coordinate work with the State Historic Preservation Office to protect sites F4-14 and T-1 from further disturbance and conduct intensive archaeological testing on other sites as recommended by Dr. Rosendahl in his study "Subsurface Archaeological Reconnaissance Survey Kuilima Resort Expansion Project" dated November 1984.

Recreational Resources

37. Petitioner proposes to use approximately 158 acres of the Property for active and passive recreational uses, including a 132 acre golf course, a 10-acre stable, a 6-acre nature park and 10 acres for a public beach park (portion of a 37-acre public park).

Petitioner has agreed to set all buildings back at least 180 feet from the shoreline and to omit construction in the area 100 to 300 feet from the shoreline.

Petitioner will dedicate a 4.8-acre park at Kawela Bay to the County and provide a 2-acre privately owned park to be open to the public outside of the Property but within the Resort, for additional public recreational resources.

38. Petitioner proposes to provide five public rights-of-way to the shoreline with 15 free public parking

stalls at each right of way to encourage public access to the shoreline and park usage. In addition, Petitioner will dedicate a continuous pedestrian access along the shoreline of the proposed Resort for public recreational use.

39. The County Department of Parks and Recreation has accepted Petitioner's proposal for recreational resource improvements.

Noise

40. Petitioner's proposed Resort will involve land clearing, site preparation, construction of infrastructure and buildings and landscaping. Petitioner does not anticipate to exceed allowable noise levels after the construction phase is completed.

Air Quality

41. Petitioner will conform to the County grading ordinance and State and Federal guidelines in mitigating adverse impacts on air quality during construction. Petitioner anticipates long term impacts from increased emissions from increased vehicular traffic and expects that air pollutant concentrations will be within allowable air quality standards.

ADEQUACY OF PUBLIC SERVICES AND FACILITIES

Water Services

42. Petitioner's proposed Resort will generate a demand for approximately 2.982 million gallons of water per day (MGD) upon completion with approximately 0.756 MGD to be

generated by the Property. The Kuilima Resort water system presently includes a 2.0 million gallon reservoir on lands mauka of Kamehameha Highway.

43. Petitioner proposes to develop the Opana (Kawela) Well field by constructing one production well and one standby well to meet Kuilima Resort's potable water requirements. In the event that water withdrawal from the Opana (Kawela) Well field nears capacity, Petitioner will develop the Opana wells situated north of Waialeale. Petitioner will construct a second 1.0 MGD reservoir adjacent to the existing 2.0 MGD reservoir when required. Petitioner has obtained a commitment from Campbell Estate to draw 3 to 4 MGD from the Waialeale Aquifer subject to availability and State and County approvals.

Wastewater

44. Petitioner proposes to develop and dedicate to the County a 1.3 MGD capacity wastewater treatment plant mauka of Kamehameha Highway to provide secondary treatment of wastewater from the Kuilima Resort.

Petitioner's proposed sewer system will consist of gravity sewers and a lift station to convey the wastewater to a pump station, which will pump wastewater to the treatment plant.

45. Petitioner proposes to rechlorinate and filter effluent for irrigating the golf courses.

Storm Drainage

46. Surface runoff from the Property, areas within the proposed Resort and areas across Kamehameha Highway, drains

into the Punahoolapa Marsh. Petitioner anticipates that increased drainage will flow through the marsh and drain into the shorewaters by way of the 100-foot drainage swale shown on Petitioner's Resort Master Plan Exhibit 1, Figure 1.

47. DLNR recommends that the Petitioner be required to monitor coastal resource conditions at the west and east main drains during development and during subsequent resort/residential operation to minimize the impact of development on shorewaters and marine ecosystems.

Flood Hazard

48. Petitioner proposes to develop portions of the Resort within the Federal Insurance Administration-designated flood plain in accordance with County and National Flood Insurance Program flood hazard ordinances and requirements. A portion of the Resort is within Zone V24 and is proposed for park (P-2) to be dedicated to the County.

49. Petitioner will construct habitable floors of the proposed resort condominium units at least 5 feet above the finished grade of the golf course to mitigate potential flood hazards to occupants and property.

Traffic and Highway Facilities

50. Kamehameha Highway, a two-lane two-way undivided state highway, provides access to the Property. Petitioner's traffic consultant, Austin, Tsutsumi, & Associates, Inc. ("ATA"), concludes that the greatest increase in traffic caused

by the proposed Resort will occur near Kahuku. However, the total peak period traffic will be below the highway's capacity for the year 2000 and the proposed Resort will have minimal impact on highway traffic in Hauula.

51. Petitioner proposes to construct a left-turn lane on Kamehameha Highway at Kuilima Drive; construct fully channelized intersections on Kamehameha Highway at the proposed West Kuilima Drive and the existing Marconi Road; and install traffic signals on the highway at all of these intersections in order to mitigate the impact of traffic entering and leaving the proposed Resort.

52. ATA recommended construction of regional improvements, which Petitioner believes is a governmental responsibility and not that of any single developer, to include: construction of the Haleiwa Bypass Road, improvements to Kamehameha Highway between the proposed Haleiwa Bypass and Kaaawa, and improvements to Kamehameha Highway at Waimea Bay.

Schools

53. The Department of Education (DOE) indicated that Kahuku High and Elementary school is operating at or beyond capacity. The DOE is in the process of updating the master plan for this school. The DOE indicated that additional facilities are needed and will require expansion in the near future.

Health Care Services

54. Kahuku Hospital offers 24-hour comprehensive medical, surgical and intensive care, as well as long-term skilled nursing and childbirth services.

Electrical/Telephone Services

55. Commercial electrical power and telephone services are available at the existing resort. Petitioner will extend service to the Property and the rest of the Resort through underground ducts to be linked to overhead service on Kamehameha Highway.

Fire and Police Protection Services

56. The County provides fire protection to the Property from Sunset Beach and Kahuku Fire Stations located along Kamehameha Highway approximately three miles from the Property.

Honolulu Police Department through its Kaneohe District Headquarters provides police protection to the Property.

Solid Waste Disposal

57. Petitioner proposes to hire private collection companies to collect and dispose solid waste at public or private landfills.

Employee Housing

58. Petitioner anticipates that the proposed development will add to an existing demand for residential housing in the region since some of its employees may require housing.

Petitioner proposes to provide affordable housing units to accommodate additional housing demand by developing a number of units equal to ten percent of the proposed units to be developed within the Property or elsewhere off the Resort in Kahuku.

Petitioner also proposes to implement other mitigation measures including an employee housing information pool and job training activities to maximize employment among current residents, thus reducing in-migration and additional housing needs. Petitioner proposes to organize the Kuilima Development Company North Shore Career Training Corp. to do vocational counseling and job training by offering management training programs and creating scholarship opportunities.

CONFORMANCE TO STATE LAND USE DISTRICT REGULATIONS

59. Petitioner's proposed development conforms to Part II, Section 2-2, "Standards for Determining District Boundaries" as follows:

Petitioner's proposed development is contiguous to the Urban District and is part of the Resort which Petitioner believes is needed to provide the appropriate mix of resort uses in attaining critical mass in order to be a successful resort destination.

Petitioner's proposed development conforms to the County General Plan, the

Koolauloa Development Plan and the State
Tourism Functional Plan Technical Reference
Document which identifies the area
surrounding the Turtle Bay Hilton and Country
Club as an area designated for resort
development.

Petitioner's proposed development of the
Property will support the development of
three new full-service hotels and the
expansion of the current Turtle Bay Hilton
and Country Club for a total of 1,450 new
units. Development of full-service hotels
will provide new employment opportunities for
the area.

Public services and facilities are
available or can be made available to service
the Property. Petitioner will develop
additional water sources and a sewage
treatment plant to meet anticipated demand
and will fund traffic improvements as may be
required by State and County agencies.
Petitioner will also dedicate two parks
within the Resort area to the County, provide
free access to five public rights-of-way, and
maintain two private parks for public use.

INCREMENTAL DISTRICTING

60. Petitioner proposes to complete substantial portions of the infrastructure as described in Finding of Fact No. 17 as well as 315 of the proposed 1,000 resort condominium units within five years of Commission's approval and to complete the entire Resort development by 1996.

CONFORMANCE WITH THE HAWAII STATE PLAN

61. Petitioner's proposed development generally conforms with the following objectives, policies and Priority Directions of the Hawaii State Plan:

Objectives and Policies

Section 226-5(b)(4) "Promote increased opportunities for Hawaii's people to pursue their socio-economic aspirations throughout the islands."

Petitioner will participate in efforts to maximize employment benefits for the people of the Koolauloa and North Shore regions.

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

Section 226-6(b)(9) "Encourage labor-intensive activities that are economically satisfying."

Section 226-6(b)(11) "Promote economic activities, especially those which benefit areas with substantial unemployment problems."

Section 226-6(b)(14) "Encourage businesses that have favorable financial multiplier effects within Hawaii's economy."

When fully developed, the labor-intensive, resort development within the Property will provide employment and new business opportunities (to service the Resort development) for the Koolauloa and North Shore areas.

Section 226-8(b)(3) "Improve the quality of existing visitor destination areas."
Petitioner's proposed resort expansion is needed to enhance the resort use of the area and add those uses needed to create a successful major destination area.

Section 226-23(b)(4) "Promote the recreational and educational potential of natural resources having scenic, open space, cultural, historical, geological, or biological values."

Section 226-23(b)(5) "Ensure opportunities for everyone to use and enjoy Hawaii's recreational resources."

Section 226-105(1) "Preserve and improve shoreline open spaces and scenic resources."

Section 226-105(2) "Seek to utilize Hawaii's limited land resources wisely in order to insure the protection of the environment and the availability of the shoreline, conservation lands and other limited resources for future generations."

Petitioner proposes to improve Punahoolapa Marsh into a wildlife park with pedestrian rights-of-way and public parking.

Petitioner will also dedicate two parks within the Resort area to the County, provide free access to five public rights-of-way, and maintain two private parks for public use.

Section 226-104(c)(7) "Seek participation from the private sector for the cost of building infrastructure, utilities, and open spaces."

Petitioner will develop additional water sources and a sewage treatment plant to meet anticipated demand and will fund traffic improvements as may be required by State and County agencies.

CONFORMANCE TO THE HAWAII
COASTAL ZONE MANAGEMENT PROGRAM

62. Petitioner's proposed development conforms to the following objectives of the Hawaii Coastal Zone Management Program as follows:

1. "Provide coastal recreational opportunities accessible to the public."

Petitioner's proposed development will not alter the recreational activities normally associated with the shoreline makai of the Property, such as surfing, throw net fishing, pole and line fishing, and spear fishing. The dedication of park space to the County will assure unimpeded access along the shoreline and from areas mauka.

2. "Protect, preserve, and, where desirable, restore those natural and man-made historic and pre-historic resources in the coastal zone management area that are significant in Hawaiian and American history and culture."

Dr. Rosendahl has located one site, T-1, which partially extends into the Property and has recommended intensive survey and testing of the site in order to determine and document its nature and significance. Petitioner intends to implement this

recommendation by dedicating area T-1 to the County as a beach park.

3. "Protect, preserve, and, where desirable, restore or improve the quality of coastal scenic and open space resources."

Petitioner believes that the proposed condominium structures within the Property will not significantly alter views towards the ocean since the building heights will be lower than the tops of the existing ironwood trees.

4. "Protect valuable coastal ecosystems from disruption and minimize adverse impacts on all coastal ecosystems."

Petitioner will not construct within the waters makai of the Property and will not allow point discharge of treated or untreated wastewater directly into offshore waters.

5. "Reduce hazard to life and property from tsunami, storm waves, stream flooding, erosion, and subsidence."

Petitioner will not construct habitable spaces below the Federal Insurance Administration's 100-year tsunami/flood elevation contour.

RULING ON PROPOSED FINDINGS OF FACT

Any of the proposed findings of fact submitted by the Petitioner or the other parties not adopted by the Commission herein, or rejected by clear contrary findings of fact herein, are hereby denied and rejected.

CONCLUSIONS OF LAW

Pursuant to Chapter 205, Hawaii Revised Statutes, as amended, and the Rules of Practice and Procedure and District Regulations of the State Land Use Commission, the Commission finds upon a preponderance of evidence that the reclassification of the Property, which is the subject of the Petition, Docket No. A85-595 by Kuilima Development Company, consisting of approximately 236 acres of land from the Agricultural District to the Urban District at Kahuku, Koolauloa, Oahu, Hawaii, Oahu Tax Map Key Nos.: 5-6-03: 37, 43, portion of 40, portion of 41, portion of 42, and portion of 44, 5-7-01: portion of 33, for resort and golf course uses, subject to the conditions stated in the Order, conforms to the standards established in the State Land Use District Regulations, is reasonable and non-violative of Section 205-2, Hawaii Revised Statutes, and the Hawaii State Plan, as set forth in Chapter 226, Hawaii Revised Statutes.

ORDER

IT IS HEREBY ORDERED that the Property being the subject of this Docket No. A85-595 by Kuilima Development Company, consisting of approximately 236 acres, situate at Kahuku, Koolauloa, Oahu, and identified as Oahu Tax Map Key Nos.: 5-6-03: 37, 43, portion of 40, portion of 41, portion of 42, and portion of 44, 5-7-01: portion of 33, and approximately identified on Exhibit A attached hereto and incorporated by

reference herein, shall be and the same is hereby reclassified from the Agricultural District to the Urban District and the State Land Use District Boundaries are amended accordingly subject to the following conditions:

1. The Petitioner shall develop full-service hotels on lands outside of the Property as designated in Petitioner's Master Plan for the Kuilima Resort in order to ensure employment opportunities for North Shore Residents.

2. Petitioner shall provide housing opportunities for low and moderate income Hawaii residents and employees employed at the Kuilima Resort by constructing and offering for sale or rent, on a preferential basis on its own or in cooperation with either or both the Hawaii Housing Authority and the City and County of Honolulu, within or without the Property, a number of residential units, not less than ten percent of the number of resort condominium residential units to be developed on the Property to residents of Hawaii and employees employed at the Kuilima Resort of low and moderate income as determined by the Hawaii Housing Authority or the City and County of Honolulu from time to time, or by contributing to the development of such housing without the Property. The preferential residential units shall be offered for sale or rent at prices not exceeding prices that enable such purchasers or including bargaining unit employees of the Petitioner or the full service hotels at the Kuilima Resort to qualify for and obtain State

assisted financing, i.e. Act 105 or Hula Mae or federally insured or assisted financing, i.e. FHA, Section 245 Program, intended to encourage home ownership by low and moderate income families.

3. Petitioner shall fund the design and construction of improvements to Kamehameha Highway for the Kuilima Resort Expansion as required by the State Department of Transportation, including fully channelized intersections at Marconi Road, Kuilima Drive and West Kuilima Drive. Petitioner shall also assist the State Department of Transportation in its attempt to acquire a 50-foot right-of-way for widening Kamehameha Highway parallel to the boundary of the Kuilima Resort Expansion.

4. Petitioner shall develop additional water sources and related infrastructure to accommodate the water demand of the Kuilima Resort Expansion.

5. Petitioner shall assist the U.S. Fish and Wildlife Service and the Department of Land and Natural Resources in their activities to improve Punahoolapa Marsh.

6. Petitioner shall take such measures as required by the State Historic Preservation Office to protect archaeological sites F4-14 and T-1 from further disturbance and to monitor construction activities. Should any archaeological resources be discovered during the project's development, the Petitioner shall comply with directives of the State Historic Preservation Office.

7. The Petitioner shall insure free public access and parking for parks and rights-of-way to the shoreline.

Continuous pedestrian access along the shoreline of the proposed Kuilima Resort Expansion shall also be assured by the Petitioner. Petitioner shall dedicate approximately 10 acres of land to the City and County of Honolulu for park purposes.

8. The Petitioner shall develop and operate a private sewage treatment plant and related infrastructure to accommodate the sewage demand of the Kuilima Resort Expansion.

9. The Petitioner shall establish a monitoring program of the coastal resource conditions at the East and West drains and their effects upon offshore waters and marine ecosystems in conjunction with and under the direction of the Department of Land and Natural Resources.

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

DOCKET NO. A85-595 - KUILIMA DEVELOPMENT COMPANY

Done at Honolulu, Hawaii, this 27th day of March
1986, per motions on January 15, 1986 and March 11, 1986.

LAND USE COMMISSION
STATE OF HAWAII

By *J. Tacbian*
TEOFILO PHIL TACBIAN
Chairman and Commissioner

By *Frederick P. Whittemore*
FREDERICK P. WHITTEMORE
Vice Chairman and Commissioner

By *Richard B. F. Choy*
RICHARD B. F. CHOY
Commissioner

By *Robert S. Tamaye*
ROBERT S. TAMAYE
Commissioner

By *Winona E. Rubin*
WINONA E. RUBIN
Commissioner

By *Lawrence F. Chun*
LAWRENCE F. CHUN
Commissioner

DOCKET NO. A85-595 - KUILIMA DEVELOPMENT COMPANY

By William W. Yuen
WILLIAM W. L. YUEN
Commissioner

By Everett L. Cuskaden
EVERETT L. CUSKADEN
Commissioner

By Toru Suzuki
TORU SUZUKI
Commissioner