

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)
AMFAC PROPERTY INVESTMENT)
CORP., a Hawaii corporation, and)
HOUSING FINANCE &)
DEVELOPMENT CORPORATION,)
STATE OF HAWAII)
To Amend the Agricultural Land Use)
District Boundary into the Urban)
Land Use District for Approxi-)
mately 298.993 Acres at Hanakao,)
Lahaina, Island and County of Maui,)
State of Hawaii, Tax Map Key Nos.:)
4-4-02: 02 (por.) and 4-4-06: 01)
(por.))

DOCKET NO. A92-686
AMFAC PROPERTY INVESTMENT
CORP., a Hawaii
corporation, and HOUSING
FINANCE & DEVELOPMENT
CORPORATION, STATE OF
HAWAII

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.

MAY 05 1993

Date

by

[Signature]
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

AMFAC PROPERTY INVESTMENT CORP., a Hawaii corporation (hereinafter "APIC"), and the HOUSING FINANCE AND DEVELOPMENT CORPORATION (hereinafter "HFDC"), a public body and body corporate and politic of the State of Hawaii duly organized and existing pursuant to Chapter 201E, Hawaii Revised Statutes, as amended (hereinafter "HRS"), (hereinafter collectively referred to as "Petitioner"), filed this Petition for Land Use District Boundary Amendment on February 15, 1993, pursuant to Chapter 205, HRS, as amended; Title 15, Subtitle 3, Chapter 15, Hawaii Administrative Rules, as amended (hereinafter "Commission Rules"); Chapter 201E, HRS; Title 6, Chapter 373, Hawaii

Administrative Rules (hereinafter "HFDC Rules"); Act 15, 1988 Session Laws of Hawaii (hereinafter "Act 15"); Title 15, Subtitle 7, Chapter 73A, Hawaii Administrative Rules, as amended (hereinafter "Act 15 Rules"), to amend the Land Use District Boundary to reclassify approximately 298.993 acres of land, at Hanakao, Lahaina, Island and County of Maui, State of Hawaii, identified as TMK Nos.: 4-4-02:02 (por.) and 4-4-06:01 (por.) (hereinafter "Property"), from the Agricultural District to the Urban District. The Land Use Commission (hereinafter "Commission"), having heard and examined the testimony, evidence and argument of the parties presented during the hearings, Petitioner's Proposed Findings of Fact, Conclusions of Law, and Decision and Order, the Office of State Planning's and the County of Maui Planning Department's subsequent stipulation and exceptions filed thereto, Petitioner's responses to those exceptions, the Proposed Findings of Fact, Conclusions of Law, and Decision and Order of Intervenor, and Intervenor's Objections to Proposed Findings of Fact, Conclusions of Law, and Decision and Order of all other parties, hereby makes the following findings of fact:

FINDINGS OF FACT

PROCEDURAL MATTERS

1. On December 16, 1992, Petitioner filed, served, and caused to be published in the December 16, 18, and 20, 1992 issues of the Star-Bulletin, Honolulu Advertiser, and Maui News, a "Notice of Intent to File a Land Use District Boundary

Amendment Petition", pursuant to Section 15-15-97 of the Commission Rules. Petitioner also filed on this same date, an affidavit of mailing, an affidavit of publication, and a certificate of service pursuant to Section 15-15-97 of the Commission Rules.

2. On February 15, 1993, Petitioner filed its Petition for Land Use District Boundary Amendment, affidavit of community meetings, and certificate of service pursuant to Section 15-15-97 of the Commission Rules.

3. Co-Petitioner APIC is a Hawaii corporation, a wholly-owned subsidiary of Amfac/JMB Hawaii, Inc., whose business and mailing address is 2530 Kekaa Drive, Lahaina, Maui, Hawaii. HFDC, a public body and body corporate and politic of the State of Hawaii, whose business and mailing address is 677 Queen Street, Suite 300, Honolulu, Hawaii, is a co-Petitioner pursuant to Act 15, Section 15-73A-30 of the Act 15 Rules, and Section 15-15-46 of the Commission Rules.

4. On January 20, 1993, the Board of Directors of HFDC, as set forth in its "For Action" Memorandum, certified the development of the Puukolii Village project on the Property in accordance with Section 5 of Act 15 and Section 15-73A-27 of the Act 15 Rules.

5. Pursuant to the Act 15 Certification, HFDC issued exemptions to APIC and the Puukolii Village Project from:

- a. large lot subdivision requirements;

- b. County zoning ordinances; and
- c. the Lahaina Community Plan

6. On March 2, 1993, a Petition to Intervene was filed with the Commission by The Kaanapali Hillside Homeowners Association, The Association of Apartment Owners of Kaanapali Plantation, and The Association of Apartment Owners of Hale Kaanapali (hereinafter "Intervenor").

7. A prehearing conference was conducted on March 2, 1993 in Conference Room 238 of the Old Federal Building, 335 Merchant Street, Honolulu, Hawaii, at which time lists of exhibits and witness lists were exchanged among the parties and the proposed Intervenor.

8. On March 10, 1993, the Commission received a letter from Isaac Hall, attorney for Intervenor, requesting a deferral of the hearing.

9. The Commission held hearings on the Petition at the Maui Marriott, Kaanapali Ballrooms, in Lahaina, Maui, on March 17, 18, 1993. The hearings were held pursuant to notices published in the Maui News and the Honolulu Advertiser on February 15, 1993.

10. On March 17, 1993, the Commission received into evidence the following:

- a. A public witness statement from David Chenoweth, dated March 8, 1993.
- b. A letter from Councilman Manuel Moniz, Jr. dated March 12, 1993.

c. A letter from Marsha Wienert dated March 15, 1993.

d. A letter from David Craddick of the Department of Water Supply, County of Maui, dated March 17, 1993.

11. On March 17, 1993, Mr. Hall withdrew his request for deferral of the hearing.

12. On March 17, 1993, the Commission granted Intervenor's Petition to Intervene.

13. On March 17, 1993, in anticipation of a settlement which Petitioner and Intervenor were negotiating, the Commission, without objection from any other party, permitted Petitioner and Intervenor to present evidence as to the possible impact on the Project of a proposed new roadway (hereinafter "Proposed Roadway") to connect Honoapiilani Highway and the Lahaina Bypass Highway (hereinafter "Bypass Highway"). The alignment of the Proposed Roadway is depicted on Petitioner's Exhibit 32. Upon Petitioner's motion, Exhibit 32 was admitted into evidence.

14. On March 17, 1993, the Commission accepted as written testimony the following:

- a. A botanical survey of the Property dated June 1992;
- b. A study of the avifauna and feral mammals on the Property dated June 10, 1992;
- c. An archaeological inventory survey of the Property dated September 1992; and
- d. A study on the air quality impacts from the development of the Property dated September 1992

The Commission, without objection from any party, also accepted into evidence Petitioner's representation that the area where the Proposed Roadway is to be aligned has been studied from an archaeological, flora and fauna standpoint, and will have no significant impacts. No impact to the air quality in the area is also anticipated.

15. On March 17, 1993, the Commission received into evidence oral and/or written testimony from the following individuals:

- a. David Chenoweth
- b. Andrea Heath-Blundell
- c. Mark Purcell
- d. Marsha Wienert
- e. Lawrence Minami
- f. Sam Kadotani
- g. Harumi Fujii
- h. Florendo Ancheta
- i. Paul Keahi
- j. Honey Laborte
- k. Albert Dall Dizon
- l. Glenn Gazman.

16. On March 18, 1993, the Commission granted, without objection from any other party, the joint request of Petitioner and Intervenor to close the evidentiary hearing and permit Petitioner and Intervenor to file with the Commission, before the

action hearing, evidence of the outcome of the settlement negotiations between Petitioner and Intervenor.

17. Following the hearings, without any objections from the Parties, the Commission received into evidence letters from David Chenoweth and Tony Krieg, and Maui County Council Resolution No. 93-28.

18. On April 1, 1993, Petitioner and Intervenor made representations to the Commission that a settlement of the dispute between the parties has been resolved and that:

a. Petitioner and Intervenor will enter into a written agreement settling and resolving their respective concerns as stated in the Petition to Intervene which will be filed and submitted to the Commission no later than April 5, 1993.

b. Intervenor formally withdraws itself as a party to this proceeding and its objections to the Petition.

DESCRIPTION OF THE PROPERTY

19. The Property is located at Hanakao, Lahaina, Island and County of Maui, State of Hawaii, and is identified as TMK Nos.: 4-4-06:01 (por.) and 4-4-02:02 (por.).

20. The Property consists of two noncontiguous portions of parcels separated by the proposed Bypass Highway. The smaller portion (Puukolii Triangle) is approximately 58.286 acres and is situated makai of the proposed Bypass Highway. The larger portion (Puukolii Mauka) is approximately 240.707 acres and is situated mauka of the proposed Bypass Highway. The Property is

composed of a total of approximately 298.993 acres of land, and is currently in the State Land Use Agricultural District.

21. The Property consists of land historically and currently cultivated in sugarcane, fallow land, gulch areas, cane haul roads, and irrigation ditches. None of the Property is improved.

22. APIC, Co-Petitioner herein, and Pioneer Mill Company, Limited (hereinafter "Pioneer") are co-owners in fee simple of one parcel, TMK No.: 4-4-06:01 (por.), and Pioneer is the owner in fee simple of the other parcel, TMK No.: 4-4-02:02 (por.). Pioneer is a wholly-owned subsidiary of Amfac Sugar and Agribusiness, Inc., a wholly-owned subsidiary of Amfac/JMB-Hawaii, Inc.

23. APIC, HFDC, and Pioneer have authorized, supported, and consented to the Petition.

24. The Property is located on the lower flanks of the West Maui Mountains. Elevations on the site range from 275 feet above mean sea level to approximately 575 feet above sea level. The site slopes evenly from east to west at grades between four to 15 percent. In addition to sheet flow, two natural gulches on each side of the Property provide drainage for the Property. These gulches carry storm water intermittently, with volumes averaging 3,600 cubic feet per second (hereinafter "cfs") during 100-year peak storm conditions.

25. Northeast tradewinds are prevalent throughout the year and are generally light in leeward areas. Rainfall in the

area averages 20 inches per year. Most precipitation occurs during the winter months. Temperatures in the area range from an annual average high of 79 degrees F to an annual average low of 74 degrees F.

26. Two soil types have been identified on the Property by the 1972 U.S. Department of Agriculture Soil Conservation Service Soil Survey for the State of Hawaii, Island of Maui. The predominant soil types are Lahaina Silty Clay (80 percent) and Molokai Silty Clay Loam (20 percent). The two soil types are similar and consist of a dark reddish-brown silty clay which is approximately 15 inches thick. The subsoil is also a reddish brown silty clay ranging in depth from 45 to 57 inches.

27. The 1967 Detailed Land Classification from the Land Study Bureau has designated virtually the entire Property with a productivity rating of "A". A small portion has been designated a productivity rating of "C".

28. The Agricultural Lands of Importance to the State of Hawaii system has designated all of the lands within the Property to be "Prime" agricultural lands.

29. The Property is not likely to be impacted by seismic activity, lava flow inundation, and tsunami and storm wave inundation.

30. There are no known flood zones or floodways associated with the Property; thus flooding is not a hazard.

31. The Property has minimal susceptibility to natural hazards, and the Project will have no impact on the occurrence of such hazards.

PROPOSAL FOR RECLASSIFICATION

32. Petitioner proposes to develop the Property as a master-planned residential community, known as "Puukolii Village", (hereinafter "Project"), which will contain the following uses:

- a. A total of approximately 1,700 residential units, both affordable and market, and for-sale and for-rent;
- b. Sites for elderly housing and life care facilities;
- c. An elementary school site;
- d. An area for commercial uses;
- e. A community park site;
- f. An emergency/trauma clinic site;
- g. A daycare facility site;
- h. A community center site; and
- i. A church site

Of the for-sale residential units to be developed, a minimum of sixty percent will be offered at prices affordable to families having an income range of up to 140 percent of the median income as established annually by the Department of Housing and Urban Development. A significant number of rentals

will be affordable to Maui County residents having 100 percent of median income or less.

j. The following types of residential units will be developed in the Project:

<u>Approximate No. of Units</u>	<u>Type of Unit (Median Income)</u>	<u>Approximate 1993 Sales Price*</u>
375	Single-Family Market (not less than 75 units shall be Single-Family Gap Group-Market Units)	To Be Determined by developer
225	Single-Family Lower Cost (120%-140%)	\$153,100-181,400*
450	Multi-Family Lower Cost (100%-120%)	\$108,400-136,700*
<u>1,050</u>	TOTAL NUMBER OF FOR SALE UNITS	

k. The Project shall also contain the following rental housing units:

<u>Approximate No. of Units</u>	<u>Type of Unit (Median Income)</u>	<u>Approximate 1993 Rental Price*</u>
600	Lower Cost Multi-Multi-Family Rental (50%-100%)	\$493-985*
50	Elderly Rental	To be Determined by Developer
<u>650</u>	RENTAL UNITS	

*The actual sales prices and rental amounts for each type of affordable housing unit will be determined in accordance with HFDC guidelines as set forth in the Development Agreement.

33. The Property will be developed in various phases. The first phase, the Puukolii Triangle, contains approximately 40 net acres and will include approximately 400 residential units, consisting of approximately 175 affordable multi-family rental units in the 50 percent to 100 percent of median income range, 90 affordable multi-family for-sale units in the 100 percent to 120 percent of median income range, 75 single-family affordable units in the 120 percent to 140 percent of median income range, and 60 single-family market units. The second phase, Puukolii Mauka, will include approximately 220 net acres mauka of the Bypass Highway and will contain approximately 1,300 residential units, including elderly housing and lifecare facilities. The remaining area will consist of roadway and buffer areas. Construction of the second phase will not commence until the Bypass Highway has been completed. The remaining proposed uses will be developed in future phases.

The Project and its infrastructure will be developed over a 12-year year period, starting from 1994 to 2005. It is anticipated that construction of Puukolii Triangle will begin in 1995 and end in 1997. It is anticipated that Puukolii Mauka will begin development in 1997 and end in 2005. The actual development timetable will be dependent on construction of the Bypass Highway, commercial market conditions, and cyclical fluctuation in market demand.

34. The total estimated cost of the off-site and on-site infrastructure for the Project is approximately

\$31,130,000.00. The estimated cost of the Proposed Roadway will be \$4,100,000.00. The infrastructure cost figures do not reflect survey, design master planning, land and other non-construction related costs. Costs are based on 1992 dollars.

35. As part of its Act 15 Certification, HFDC issued certain exemptions for the Project from Maui County zoning and subdivision ordinances, and the Lahaina Community Plan. However, following reclassification by the Commission, Petitioner will be required to obtain Maui County building and grading permits and approvals. Although the HFDC is authorized under Act 15 and HRS Chapter 201E to exempt the Project from all statutes, ordinances, charter provisions and rules of any governmental agency relating to planning, zoning, construction standards for subdivisions, development and improvements of land and the construction of units thereon, APIC has agreed to submit its requests for these permits and approvals to Maui County prior to requesting such exemptions from HFDC.

PETITIONER'S FINANCIAL CAPABILITY TO UNDERTAKE THE PROJECT

36. Co-Petitioner APIC is financially capable to carry out the proposed development of the Property. The consolidated financial statements of APIC's parent, Amfac/JMB Hawaii, Inc., and its subsidiaries, as of June 30, 1992, reflects total net assets of \$605,619,000.00 and net revenues of \$22,166,000.00. APIC will fund the Project through lines of credit.

37. HFDC was not required to submit a financial statement pursuant to Section 15-15-50(c)(8) of the Commission Rules, as amended.

STATE AND COUNTY PLANS AND PROGRAMS

38. The Property is located within the State Land Use Agricultural District, as reflected on the State Land Use District Map M-2 (Lahaina).

39. The Lahaina Community Plan identifies a majority of the Property as Agricultural and a small portion of the Property as Residential.

40. The Property includes two Maui County zoning classifications: a majority of the Property is zoned as agricultural, Ag, and a small portion of the Property is zoned as residential, R-3.

41. The Property is entirely outside of the Special Management Area district.

42. The Property is located within the Coastal Zone Management area.

NEED FOR THE PROPOSED PROJECT

43. Petitioner's marketing consultant, The Hallstrom Appraisal Group, Inc., prepared a market study dated September 1992 for the Project. There is a need and demand for the proposed uses of the Property.

44. Based upon evidence from the Petition and Petitioner's market analyst, Jim Hallstrom, West Maui will require approximately 4,230 to 6,055 additional housing units

beyond current levels by the year 2010. The greatest demand will be focused on homes "affordable" to those in the low- to moderate-income groups. There are only 3,949 new affordable to moderately priced units presently proposed to meet long-term regional demand. As a result, there will be a shortage of these types of units in the foreseeable future, said shortage to reach a maximum of 2,100 units by the year 2010 without the Project. The Project will contribute approximately 1,275 affordable units to address this demand. The elderly rentals and life care units will address the undersupply of elderly/life care projects in the region, while demand for the commercial component of the Project will be generated by the residents themselves.

45. Based on the demand for additional housing units, the proposed 1,650 residential units and 50 life care and elderly units can anticipate achieving full absorption within ten to 15 years of initial offerings. The medical clinic component of the Project will also be fully absorbed within this timeframe, as will the proposed commercial space.

ECONOMIC IMPACTS

Impacts on Employment

46. Employment opportunities will be made available by the Project. During the projected 12-year construction period, the number of full-time equivalent jobs directly created will vary from 280 to 4,287 positions annually, totaling approximately 37,000 man-years. Over the long-term, approximately 3,500 new employment opportunities will be created in those businesses

serving the residential community and through development of the on-site commercial area and emergency/trauma clinic.

Impacts on State or County Revenues

47. State government revenues will be generated during both the construction and operational phases of the Project. During construction, State revenues will be derived from the four percent excise tax on construction goods and services, and a five one-hundredths percent conveyance tax. Additional State revenue will be provided from corporate and individual income taxes generated by construction activities. For the State of Hawaii, it is anticipated that the aggregate annual tax revenue in constant 1992 dollars will range from \$639,980 to \$10,464,532 annually, totaling \$83,882,821 over the 12-year Project build-out period.

48. Maui County revenues will be derived from real property taxes and other fees and services. After development of the Property, annual real property taxes are expected to increase. For Maui County, it is anticipated that the aggregate annual tax revenues in constant 1992 dollars will range from \$58,500 to \$1,461,310 per year, totaling \$9,657,010 over the 12-year Project build-out. Additionally, the value of the on-site infrastructure provided by Petitioner will be at no capital cost to Maui County or the State of Hawaii.

Social Impacts

49. Petitioner's consultant, Community Resources, Inc., prepared a social impact assessment for the Project dated

September 1992. The Project will have the following social impacts on the region:

a. It will place a large number of affordable housing units on the market, thereby easing the housing shortage, reducing crowding, and allowing a large number of Maui residents to either own homes or rent homes at below-market rates.

b. It will provide a site for an emergency care/trauma facility which would serve the entire West Maui population. (The nearest hospital is currently over 30 miles from the Property.)

c. It will add sites for approximately 50 units of affordable elderly housing, as well as a life care facility which will be the only institution providing skilled nursing care in West Maui.

d. It will provide relief from the current shortage of child care centers in West Maui.

e. It will add additional park and community space to an undersupplied West Maui.

f. It will ease the psychological "growth strain" (which comes from seeing rapid growth and development) of West Maui residents by balancing the needs of residents with those of the visitor industry.

g. It will contribute to the growth of Lahaina.

h. It will serve to integrate Kaanapali and Lahaina into a larger urban area with distinct neighborhoods

oriented towards visitors, second-home owners, or full-time local residents.

- i. It will provide a planned community.
- j. It will reduce traffic and commuting time.

IMPACTS UPON RESOURCES IN THE AREA

Agricultural Resources

50. Petitioner's consultant, Evaluation Research Consultants, prepared an agricultural impact study dated November 6, 1992. Pioneer currently farms approximately 6,700 acres of land, with approximately 6,300 acres in sugarcane cultivation and approximately 300 acres in coffee cultivation. Although the Project will remove approximately 298.993 acres of land from the 6,300 acres of cane land, the removal of the Property from cane production will not significantly impact Pioneer's agricultural operations. Due to the small local market for agricultural produce, the lack of suitable export crops, the declining importance of the sugar industry, and the availability of similar lands elsewhere in the State, the reclassification of the Property from the Agriculture Land Use District into the Urban District will not have a significant impact on the agricultural sector of Maui County or the State.

51. Pioneer is encouraged by the initial success of its efforts to produce a high-quality coffee product and, subject to sugar prices and other factors beyond its control, desires to continue in cane cultivation for a long period of time. It is

estimated that Pioneer can operate with the approximately 4,000 acres it intends to keep in cane cultivation.

Flora and Fauna

52. Petitioner's consultant, Char & Associates, prepared a botanical survey of the Property dated June 1992. This survey was entered into the record as written testimony.

53. The Property contains two primary types of vegetation. The major type is sugarcane, which is cultivated over approximately 95 percent of the Property. The remaining five percent of the Property contains scrub vegetation, generally found in small gullies, along irrigation ditches, and along the south boundary of the Property. A total of 85 alien or introduced species of scrub vegetation may be found on the Property. None of the plants inventoried are officially listed as threatened or endangered by the U.S. Fish and Wildlife Service, nor are any proposed as candidates for such status.

54. Since the Project will occur on lands already under active sugarcane cultivation and very much disturbed, the Property is of little botanical interest or concern. No remnants of sensitive native plant communities or threatened or endangered plants occur on the cane field areas, therefore, the Project is not expected to have a significant negative impact on botanical resources, and no mitigation measures are necessary.

55. Petitioner's consultant, Phillip L. Bruner, prepared a study of the avifauna and feral mammals on the Property dated June 10, 1992. This study was entered into the

record as written testimony. No endemic birds were recorded during the study. While the irrigation ditches on the Property may serve as a habitat for native waterbirds, only one species, the Black-crowned Night Heron (*Nycticorax nycticorax*) was observed; four heron were counted. No migratory indigenous birds were recorded during the survey, and no resident indigenous seabirds were seen. Fifteen species of exotic and introduced birds were recorded during the survey. Feral mammals, such as mongoose, cats, rats, and mice, are also thought to frequent the Property.

56. The Project is not expected to have a significant impact to endemic, indigenous or exotic avifauna. As a result, no mitigation measures are necessary.

Archaeological/Historical Resources

57. Petitioner's consultant, Paul H. Rosendahl, Ph.D., Inc., prepared an archaeological inventory survey of the Property dated September 1992. This survey was entered into the record as written testimony. The survey identified a total of three sites. Two of the sites had been previously identified (Hawaii State Inventory of Historic Places (hereinafter "SIHP") Site 2491 and SIHP Site 2893, Puukoolii Cemetery), and one site (a large reservoir complex) was newly identified. Puukoolii Cemetery and the reservoir complex are located outside the boundaries of the Property.

58. SIHP Site 2491 had been previously identified as agricultural terraces. However, based on re-evaluation under the

study, Site 2491 was determined to consist of bulldozer clearing piles. As such, SIHP Site 2491 is not potentially significant for information or other values. SIHP Site 2893 Puukolii Cemetery) contained more than 35 burials, and was utilized by the residents of Puukolii town as recently as the mid-1940's. Because the cemetery is located north of, and well outside the boundaries of the Property, it will not be affected by the Project.

The newly-identified concrete-lined reservoir consists of a large reservoir, rectangular in plain view, that extends more than 100 feet east-west by 75 feet north-south. The sides of the reservoir slope at approximately 45 degrees, with a maximum depth estimated at ten feet. This structure is a considerable distance north of the Property's boundaries, and thus, will not be affected by the Project.

59. No intact historic properties exist within the Property. Numerous archaeological sites probably once existed, and an entire "sugarcane town" thrived for many years within the immediate area. However, all of the resultant features were destroyed by historic-era and subsequent modern agricultural activities. The construction and other development activities associated with the Project will not affect archaeological or historic sites of significance, and no further treatment or consideration of archaeological resources is necessary.

Groundwater Resources

60. Water for the Project will stem from groundwater that is pumped from the basal lens. An existing well, located in a dike zone in Honokowai Valley, and once used by Pioneer for irrigation, was tested and reclaimed. This well is capable of supplying an average of 0.75 million gallons per day (hereinafter "mgd") of high quality, potable water for the Project. The well pump will have to be replaced with a pump capable of generating 900 gallons per minute. Another well may be drilled nearby which will yield 0.75 mgd, for a combined average output of 1.5 mgd. Other basal wells that may become necessary for production of potable water should be located within the 7,000 feet mean sea level between Kaanapali Pump 4 and Pump 2.

Water Service

61. The Project is anticipated to require approximately 1.64 mgd of potable water, based on a total build-out of 1,700 residential units. Non-potable water will be used for irrigation purposes in order to conform to current policy of the Maui County Department of Water Supply. Water demand for irrigation purposes is estimated at 0.68 mgd, and will be provided by on-site brackish wells, and some surface water during drought conditions. The water system for the Project will be privately owned, and no public agencies furnishing water systems or facilities will be unreasonably burdened by the Project. The water system and water requirements for the Project will not

necessitate any investment in public infrastructure or support services or commitment of State funds or resources.

Recreational, Scenic and Cultural Resources

62. The Project will not have a significant adverse impact upon the recreational, scenic, and cultural resources of the area. The West Maui Mountains will remain an unobstructed visual backdrop, and the slope of the Property creates a natural visual corridor to the sea. Landscape buffers are planned to screen portions of the Property from the Bypass Highway, and a 19.87-acre park site will enhance the overall visual quality of the Project.

63. Petitioner will take such mitigative measures as compliance with all Maui County ordinances regulating building heights, bulk and setback and such additional aesthetic requirements, but can avail itself of variance procedures.

ENVIRONMENTAL QUALITY

Noise

64. Petitioner's consultant, Y. Ebisu & Associates, prepared a study of the noise impacts of the Project to the surrounding properties (with traffic forecasts to year 1997) dated September 1992. A revised study was later completed (with traffic forecasts to year 2005) dated February 1993. Adequate buffer distances between the proposed Bypass Highway and the Project's residential areas, and the large setback distances between the Project and Honoapiilani Highway will keep levels of highway traffic noise in the Property under current Federal

Housing Administration/Department of Housing and Urban Development (hereinafter "FHA/HUD") noise standards (65 Ldn).

65. At 100-foot distances from the centerline of Honoapiilani Highway, existing traffic noise levels in the Project are in the "Significant Exposure, Normally Unacceptable" category. However, at greater setback distances of approximately 114 to 122 feet from the highway centerline, traffic noise along Honoapiilani Highway decreases to the "Moderate Exposure, Acceptable" category.

66. Along the existing Honoapiilani Highway, traffic noise levels are expected to remain similar to existing noise levels between 1992 and 1997, increasing by 1.5 Ldn as a result of Project and non-Project traffic until the Bypass Highway is opened. Due to its very low volume when compared to existing traffic on Honoapiilani Highway, traffic from the Project is predicted to cause an increase in traffic noise levels along the highway of no larger than 0.30 Ldn from the date of the study to 1997. This amount of increase in traffic noise levels is not considered significant. Following completion of the Bypass Highway, traffic noise levels on Honoapiilani Highway are expected to decline below existing levels by approximately 2.4 Ldn. By 2005, following build-out of the mauka section of the Project, traffic noise contributions from the Project are predicted to range from 0.10 to 0.60 Ldn, with traffic noise levels along Honoapiilani Highway to revert towards existing

noise levels. For these reasons, noise mitigation measures are not necessary.

67. Until the Bypass Highway is open, relatively large increases in traffic noise (5.20 Ldn) are predicted to occur by 1997 along the lower (west) section of Puukolii Road as a result of traffic from the Project. This is due to the relatively low traffic volumes on the existing roadway, and the relatively large traffic increases on Puukolii Road expected prior to completion of the Bypass Highway. Following completion of the Bypass Highway in 1997, traffic from the Project on Puukolii Road is expected to decline, and traffic noise increases on Puukolii Road should be moderate and approximately 1.7 Ldn above current levels. Furthermore, traffic noise levels along Honoapiilani Highway are expected to diminish to approximately 1.4 to 2.4 Ldn above current levels. Finally, the additional 300-foot distance of the Proposed Roadway from the existing Puukolii Road will result in no significant increase in traffic noise.

68. Temporary noise impacts may occur during the construction of the Project. Mitigation measures to reduce construction noise to inaudible levels will not be practical in all cases. Construction activities are predicted to be audible at adjoining properties and the quality of the acoustic environment may be degraded to unacceptable levels during periods of construction. Petitioner proposes minimizing construction noise through the use of quiet equipment and construction curfew

periods, as required under the State of Hawaii Department of Health noise regulations.

69. Adverse noise impacts from aircraft noise are not expected due to the relatively large buffer distances and resulting low aircraft noise levels (less than 40 Ldn) within the planned residential areas of the Property.

70. During a peak harvesting day of a 24-hour operation, cane haul road noise levels could exceed 65 Ldn within a 100-foot setback distance from the cane haul road's centerline. However, average Ldn values for a 150-day harvest season or for the 365-day annual period do not exceed 65 Ldn at setback distances of 100 feet. A minimum 100-foot setback distance from the centerline of the cane haul road will be maintained for the planned residences of the Property, and cane haul road noise will be in the "Moderate Exposure, Acceptable" category at the proposed residential areas closest to the cane haul road. Under these conditions, the use of berms or sound attenuating walls will not be required to meet FHA/HUD noise standards.

Air Quality

71. Petitioner's consultant, Ogden Environmental and Energy Services Co., Inc., prepared a study on the air quality impacts from the development of the Property dated September 1992. This study was entered into the record as written testimony. Short-term impacts on air quality consisted of fugitive dust and heavy equipment emissions during the construction period, particularly from such activities as

grubbing and grading. Heavy equipment emissions can be mitigated by minimizing the simultaneous operations of fuel burning equipment with the application of air pollution control technology. Petitioner intends to follow these measures.

72. The most significant long-term emission sources are motor vehicles, with the most significant tailpipe emission being carbon monoxide (hereinafter "CO"). The Project is not expected to cause CO levels in excess of federal or state CO standards, and thus, the total CO impacts with or without the Project are not significant. However, the following mitigation measures are suggested: (a) the encouragement of public transportation and/or ride sharing by providing public access to alternate forms of transportation; (b) a limitation on parking spaces to promote the use of shuttle services; and (c) the installation of bike lanes. Petitioner intends to follow these measures.

Water Quality

73. The potable water demands for the Project will be met through the aquifer systems in the Lahaina District. The entire Property lies above the underground injection control line. Since irrigation needs will be met through ground and surface water, and on-site drainage will be collected by grass swales and a subsurface drainage system to Hanakao and Hahakea Gulches, the development of the Project will not significantly impact the water quality. On-site detention areas will be used to minimize impact on downstream areas during storm events.

ADEQUACY OF PUBLIC SERVICES AND FACILITIES

Highway and Roadway Services and Facilities

74. Petitioner's consultant, Austin, Tsutsumi & Associates, Inc., prepared a report analyzing the traffic impacts both with and without the Project and the adequacy of the planned roadway system dated November 1992.

75. Without the Bypass Highway, de facto increases in traffic will cause increasingly congested conditions, with or without the Project. Widening of Honoapiilani Highway and improvements at the intersections of Kaanapali Parkway and Honoapiilani Highway and of Honoapiilani Highway and Lower Honoapiilani Road are currently needed to relieve congested conditions at these locations.

76. Upon completion of the Bypass Highway, traffic congestion will improve greatly because traffic will have two highways on which to travel: Honoapiilani Highway and the Bypass Highway.

77. The State Department of Transportation (hereinafter "DOT") believes that Petitioner should submit a reassessment of the traffic conditions along Honoapiilani Highway between Kaanapali Parkway and Lower Honoapiilani Road after the Honoapiilani Highway and Kaanapali Parkway intersection improvements are in place. If, immediately after the Honoapiilani Highway and Kaanapali Parkway intersection improvements are completed, the level of service is not at "C" or better at such time, DOT believes Petitioner should participate

on a proportionate share basis in implementing additional traffic mitigating measures as determined by DOT.

78. The alignment of the Proposed Roadway, as shown on Petitioner's Exhibit 32, is proposed to be located north of the existing Puukolii Road and will connect to Honoapiilani Highway and the Bypass Highway. While this Proposed Roadway is ultimately envisioned as a four-lane, 100-foot roadway, only two lanes will be initially constructed in connection with the Project. The Project will have access to Honoapiilani Highway and the Bypass Highway via the Proposed Roadway. The mauka and makai ends of Puukolii Road will be closed to public access, and access between the Proposed Roadway and Puukolii Road will be provided. In addition, the current intersection at Honoapiilani Highway and Puukolii Road will be closed, and a new intersection at Honoapiilani Highway and the Proposed Roadway will be constructed. The Proposed Roadway improvements will improve the traffic situation in the area. Petitioner has preliminarily discussed and will continue to discuss the Proposed Roadway with DOT.

Wastewater Treatment and Disposal

79. The Project is estimated to generate wastewater in the range of 0.64 mgd. Petitioner currently has a reserve capacity of approximately .99 mgd to two mgd in the existing Lahaina Sewage Treatment Plant due to Petitioner's earlier participation in improvements to the plant.

Drainage

80. The Property lies between two well-defined gulches: Hahakea Gulch to the south and Hanakao Gulch to the north. Hahakea Gulch is a major natural drainageway that drains an area of approximately four square miles and conveys runoff from the lands mauka of the existing Kaanapali Resort development to the ocean. The gulch has several earth-filled dams, created as a result of the construction of cane haul road crossings, which act as large retention basins. Small drainage culverts have been installed at these crossings, which act to control the downstream flow. Runoff crosses Honoapiilani Highway via a ten-foot by eight-foot concrete box culvert and continues toward the ocean as an unimproved drainageway near the Hyatt Regency Hotel. The outlet is normally blocked by sand. The pre-development, 100-year storm peak runoff was determined to be approximately 4,150 cfs at the cane haul road crossing of Hahakea Gulch, just mauka of Honoapiilani Highway.

Hanakao Gulch drains an area of approximately three square miles. It ceases to retain its drainageway characteristics about 1,500 feet mauka of Honoapiilani Highway, and outlets onto a relatively flat, open area with no defined pathway to the ocean. The surface runoff sheet flows from the gulch outlet, across a sugarcane field, and is intercepted by a cane haul road running parallel to Honoapiilani Highway. The runoff then crosses the highway through three separate 24-inch RCP culverts, and flows into a large flat area before reaching a

sand berm along the ocean. Runoff ponds behind this berm until it breaches and flows into the ocean. The pre-development, 100-year storm peak runoff was determined to be approximately 3,600 cfs.

81. The off-site surface runoff which will flow into the portion of the Property located mauka of the Bypass Highway was calculated to be approximately 200 cfs. To prevent the flow from reaching these areas, grass lined trapezoidal channels of various sizes will be constructed along the mauka boundary to intercept and convey the flow into Hahakea and Hanakao Gulches.

82. On-site runoff from the mauka portion of the Property will be collected by grassed swales and a subsurface drainage system and conveyed to grass-lined trapezoidal channels that will be constructed on the mauka side of the Bypass Highway. Runoff will then flow to Hahakea and Hanakao Gulches. On-site runoff from the makai portion of the Property will be collected by grassed swales and a subsurface drainage system and conveyed to Hanakao Gulch. Detention areas will be incorporated wherever possible to provide for temporary storage of runoff for subsequent slow release into downstream facilities, thus minimizing disruption during minor storm events. Sediment and other debris will settle out in the detention areas, thus reducing the load of potential pollutants flowing into the gulches.

83. The surface runoff from the Project is expected to increase the 100-year storm peak discharge by 200 cfs in Hahakea

Gulch and 500 cfs in Hanakao Gulch. Off-site drainage improvements to Hahakea and Hanakao Gulches will be in place or constructed concurrently with the development of the Property.

84. The existing drainage systems and the proposed drainage improvements provide adequate drainage for the Project.

Solid Waste Disposal

85. At present, solid waste is collected by and disposed of by Maui County and private contractors. Residential waste is disposed at the Puunene landfill site in Central Maui. The existing public solid waste disposal system is adequate to handle the solid waste generated by the Project.

86. The Project will not cause a change in the manner of collection and disposal, and no concentrated hazardous wastes will be generated. Accordingly, the Project will not result in any adverse environmental impacts relative to solid waste disposal. Increased quantities of solid waste created by new residences will require new contracts or extensions of existing private contracts for solid waste collection in Maui County. To the extent possible, on-site waste generated during construction will be disposed of on-site. No additional mitigation measures are necessary.

Schools

87. The public schools presently serving the Kaanapali area include Lahaina Intermediate School, Lahainaluna High School and Kamehameha III Elementary School. Petitioner will inform the State Department of Education of the Project's status to allow

adequate lead time necessary to plan, secure funding, and establish new or improved facilities. It is anticipated that an elementary school site will be required. Petitioner has agreed to provide an eight-acre site within the Property for the establishment of a public school, which will be adjacent to a minimum four-acre park site to be provided by Petitioner.

Police and Fire Protection

88. Police are currently dispatched from Lahaina, with the station being located at Wahikuli within the Lahaina Civic Center. An additional beat and additional personnel will be needed to adequately serve the planned growth in the Kaanapali/Lahaina area. The existing fire station, located at the Lahaina Civic Center, will serve the Project. A new fire station at Napili can also serve the Project. Existing and planned facilities will provide adequate fire protection for the Project. No further mitigation measures are required with regard to fire protection.

Electricity and Telephone Service

89. Electrical services to the Project will be provided by Maui Electric Co. (hereinafter "MECO") using the existing distribution lines on Puukoolii Road and Honoapiilani Highway. Petitioner will cooperate with MECO in determining the specific transmission and distribution requirements for the Project. In general, since the off-site improvements required for the Project are ongoing activities for MECO, no undue hardship will be

created for MECO. The peak demand for the Project is estimated to be approximately eight million volt amperes. Based on that demand, a new transformer may be required by MECO at the Puukolii substation. Similar cooperation and coordination will be undertaken with the Hawaiian Telephone Company to determine the Project's requirements. In general, existing electrical and telephone capacity are adequate for the increased demand from the Project's residents.

COMMITMENT OF STATE FUNDS AND RESOURCES

90. Given Petitioner's commitment to pay for all on-site improvements, as well as its proportionate share of various off-site infrastructure expenses necessitated by the Project, the Project will not result in any unreasonable commitment of State funds or resources.

CONFORMANCE TO URBAN DISTRICT STANDARDS

91. The Property satisfies the standards applicable in establishing boundaries of the Urban District as set forth in Section 15-15-18 of the Commission Rules as follows:

a. The area surrounding the Property is characterized by "city-like" concentrations of people, structures, streets, urban level of services and other related land uses.

b. The Project will serve as an extension of Kaanapali and Lahaina and will expand the existing center of trade and employment.

c. The Project represents an appropriate and reasonable use of the Property and is in close proximity to centers of trading and employment.

d. Petitioner has evaluated the cost of developing the Property, has demonstrated its financial capacity to undertake the Project, and has determined that the Project is economically feasible.

e. The Project is in close proximity, and has adequate access, to basic services such as sewers, transportation systems, water, sanitation, schools, parks, and fire protection.

f. The Project will provide additional areas for urban growth in appropriate locations based on a ten-year projection.

g. The Property includes lands with satisfactory topography and drainage conditions and is reasonably free from the danger of floods, tsunami, unstable soil conditions, and other adverse environmental effects.

h. The Property is near to existing urban areas.

i. Given Petitioner's commitment to pay for all on-site improvements and the construction of the Proposed Roadway, as well as its proportionate share of the cost of off-site infrastructure necessitated by the development of the Property, the Project will not require an unreasonable investment in public infrastructure or support services.

j. The urbanization of the Property will not substantially impair actual or potential agricultural production in the vicinity of the Property or in Maui County.

k. The general slope of the Property is less than twenty percent.

CONFORMANCE WITH THE GOALS, OBJECTIVES AND POLICIES
OF THE HAWAII STATE PLAN; RELATIONSHIP TO APPLICABLE
PRIORITY GUIDELINES AND FUNCTIONAL PLANS

92. The reclassification of the Property and the Project are in conformity with State goals set forth in Section 226-4, HRS, as follows:

a. The Project contributes to the strength and viability of the economy by offering new jobs during the planned development phases. Over the long-term, the Project will add stability, diversity, and growth to the economy by creating housing, employment, medical, and recreational opportunities for Maui County residents employed in the area.

b. The Project will be an integrated master-planned community containing a diverse mix of housing, commercial, educational, recreational and health opportunities, and amenities creating a desired physical, social and economic environment.

c. The increased job opportunities and additional housing stock provided by the Project will increase the economic well-being of the community as a whole, as well as lessen the need for commuting to the Kaanapali area due to lack of suitable housing.

93. The reclassification of the Property and the Project also conform to the objectives set forth in Sections 226-5; 226-6; 226-7; 226-8; 226-11; 226-12; 226-13; 226-15; 226-19; 226-20; 226-21; and 226-22, HRS, as follows:

a. The proximity of the housing opportunities in the Project to the resort related activities and employment opportunities in the Lahaina and Kaanapali areas will:

(1) Assist in the management of statewide population growth by providing increased opportunities for the residents of West Maui to pursue their fiscal, social and economical aspirations; and

(2) Encourage an increase in the economic activities and employment opportunities on the Island of Maui consistent with community needs and desires. (Sections 226-5(b)(1) & (2), HRS).

b. The proximity of the housing opportunities of the Project, as well as the development of commercial uses, contribute to the increased and diversified employment opportunities to achieve full employment, increase income and job choice, and improve living standards for the residents of Maui. (Section 226-6(a)(1), HRS).

c. The development of the Project over ten years achieves a level of construction activity responsive to, and consistent with, state growth objectives. (Section 226-6(b)(6), HRS).

d. The income generated by the Project will contribute to the ability of Amfac/JMB Hawaii, Inc., the parent of APIC, to subsidize the research and development activities of Pioneer's coffee production activities thereby contributing to greater efficiency and economic productivity in agriculture, and will expand Hawaii's agricultural base by promoting growth and development of coffee as an alternative to sugarcane production. (Sections 226-7(b)(4) & (8), HRS).

e. The proximity of the housing and employment opportunities of the Project to the resort related activities in the Lahaina and Kaanapali areas will contribute toward the improvement of the quality of the existing visitor destination areas in Kaanapali and Lahaina. (Section 226-8(b)(3), HRS).

f. Since there are no rare or endangered plant or animal species or habitats native to Hawaii on the Property, the development of urgently needed housing, commercial, educational, recreational, and health opportunities and amenities in the Project will alleviate the need to develop other lands which may possess such species or habitats. (Section 226-11(b)(6)).

g. The Project will utilize construction practices that will enhance the physical quality of Hawaii's communities. The Project is in close proximity to existing services and facilities in the Lahaina and Kaanapali area. (Sections 226-13(b)(6) & (7), HRS).

h. In developing the Project, Petitioner will provide sewage transmission facilities. (Section 226-15(b)(1), HRS).

i. The diverse mix of for-sale and rental residential units priced at a range of income levels will satisfy the following objectives and policies:

(1) Greater opportunity for Hawaii's people to secure reasonably priced, safe, sanitary and livable homes, located in a suitable environment which satisfactorily accommodates the needs and desires of families and individuals to ensure that more affordable housing is made available to the very low, low, and moderate income segments of Hawaii's population;

(2) The orderly development of residential areas sensitive to community needs and other land uses;

(3) The development and provisions of affordable rental housing to meet the housing needs of Hawaii's people;

(4) Effectively accommodate the housing needs of Hawaii's people;

(5) Stimulate and promote feasible approaches that increase housing choices for low income, moderate income, and gap group households;

(6) Increase homeownership and rental opportunities and choices in terms of quality, location, cost, densities, style, in size of housing; and

(7) Promote design and location of housing developments taking into account the physical setting, accessibility to public facilities and services, and other concerns of existing communities and surrounding areas.

(Sections 226-19(a)(1), (2) & (3); 226-19(b)(2), (3), (5), HRS).

j. The donation of the eight-acre site for the development of an elementary school will contribute to the provision of adequate and accessible educational services and facilities that are designed to meet individual and community needs. (Section 226-21(b)(2), HRS).

k. The Project will contain sites for elderly housing and life care facilities, which will provide residents with alternatives to institutional care in the provision of long-term care for the elderly populations. (Section 226-22(b)(4), HRS).

94. The Project also conforms to the priority guidelines set forth in Sections 226-103, 226-104, 226-106, and 226-107, HRS, and the various functional plans, including the following:

a. State Agricultural Plan: Although the Project will result in a loss of prime agricultural lands, it will foster the efforts of Pioneer to produce a viable coffee product. Under the present socioeconomic conditions, the benefits of urbanization for the provision of affordable housing outweigh the loss of these agricultural lands.

b. State Energy Plan: The Project will promote measures to encourage, support and provide incentives for energy conservation and efficiency and alternate and renewable energy resources. Since the Project is within an established service region and adjacent to a MECO electrical facility, the Project can be efficiently developed and supported by established facility systems.

c. State Housing Plan: The Project will provide a spectrum of housing units and offer more choices to Maui residents. At least sixty percent of the total planned residential units will be within the affordable housing range.

d. State Recreational Plan: The Project will improve and expand provision of recreational facilities by providing the Puukoolii community and Maui County residents in general with a community park of approximately 20 acres.

CONFORMANCE WITH THE COUNTY GENERAL PLAN

95. The Project conforms to the objectives of the Maui County General Plan as follows:

a. The Project will utilize the Property for the social and economic betterment of Maui County residents. The Project will provide fee simple and rental residential property and units to help meet Maui County's growing housing needs.

b. The Project is designed specifically to mitigate any negative impacts on the environment, and as such, will not negatively impact environmental resources.

c. The Project does not impact any agricultural land available for diversified agriculture, and does not affect the viability of Pioneer as a sugar producer.

d. Petitioner will provide an integrated, well-designed, master-planned community appropriate to the scale of the area.

e. Utilities for the Project will be provided according to the State of Hawaii and Maui County standards, and all roadways, sewage and drainage facilities will be dedicated to Maui County. Petitioner will work with Maui County if specific variances are needed to ensure that the variances are acceptable to Maui County, subject to the Development Agreement.

f. The Project will provide the Puukolii community and Maui County residents in general with a community park of approximately 20 acres.

CONFORMANCE WITH COASTAL ZONE MANAGEMENT OBJECTIVES AND POLICIES

96. The Property is entirely outside of the Special Management Area. The proposed reclassification conforms to the policies and objectives of the Coastal Zone Management Program.

RULING ON PROPOSED FINDINGS OF FACT

Any of the proposed findings of fact submitted by Petitioner or other parties not already ruled upon by the Commission by adoption herein, or rejected by clearly contrary findings of fact herein, are hereby denied and rejected.

Any conclusion of law herein improperly designated as a finding of fact should be deemed or construed as a conclusion of

law. Any finding of fact herein improperly designated as a conclusion of law should be deemed or construed as a finding of fact.

CONCLUSIONS OF LAW

Pursuant to Chapter 205, of the Hawaii Revised Statutes, as amended and the Commission Rules, the Commission finds upon the clear preponderance of the evidence that the reclassification of the Property, consisting of a total of approximately 298.993 acres of land, situated at Hanakaoo, Lahaina, Island and County of Maui, State of Hawaii, and identified as TMK Nos.: 4-4-06:01 (por.) and 4-4-02:02 (por.), from the Agricultural District to the Urban District, conforms to the standards for establishing Urban Boundaries, is reasonable, non-violative of Section 205-2, HRS, as amended, and is consistent with the Hawaii State Plan as set forth in Chapter 226, Hawaii Revised Statutes, as amended, and conforms to the Hawaii Land Use Commission Rules.

ORDER

IT IS HEREBY ORDERED that the Property which is the subject of this Docket No. A92-686 filed by AMFAC PROPERTY INVESTMENT CORP. and the HOUSING FINANCE AND DEVELOPMENT CORPORATION, consisting of approximately 298.993 acres of land in the State Land Use Agricultural District at Hanakaoo, Lahaina, Island and County of Maui, State of Hawaii, and identified as TMK Nos.: 4-4-06:01 (por.) and 4-4-02:02 (por.), as approximately shown on Exhibit "A", attached hereto and incorporated by reference herein, shall be and is hereby reclassified to the

Urban District, and the State Land Use Boundaries are amended accordingly, subject to the following conditions:

1. Petitioner shall comply with all rules and regulations of Act 15, 1988 Session Laws of Hawaii.

2. The Project contains a unit mix such that not less than sixty percent (60%) of the Project provides housing opportunities for families earning less than one hundred and forty percent (140%) of the median income in accordance with the State Affordable Housing Guidelines. The sixty percent (60%) affordable requirement shall be in addition to any units built to satisfy affordable housing requirements of any other projects.

3. Petitioner shall provide housing opportunities as represented in the Petition and during hearings for low, low-moderate, and moderate income residents of the State of Hawaii.

4. Petitioner shall work with the County of Maui and State Department of Transportation to resolve the issues detailed in the final Environmental Impact Report (January 1993) through intersection improvements and/or re-routing of existing traffic flow to reduce projected Level of Service.

5. Petitioner shall commence construction of the mauka parcel of the Project only upon completion of the Bypass Highway.

6. If any archaeological resources such as artifacts, shell, bones or charcoal deposits, human burials, or rock or coral alignments, paving or walls of historic or prehistoric significance are encountered during development of the Project,

Petitioner shall immediately stop work on the impacted area, and contact the State Historic Preservation Division of the State Department of Land and Natural Resources.

7. Petitioner shall inform all prospective occupants of: (1) possible odor, noise, and dust pollution resulting from surrounding agricultural operations; and (2) the Hawaii Right-to-Farm Act, Chapter 165, HRS, which limits the circumstances under which pre-existing farming activities may be deemed a nuisance.

8. Petitioner shall participate in the funding (on a proportionate share basis), design and construction of off-site roadway improvements necessitated by the Project identified by and to the satisfaction of the State Department of Transportation, with the exception of the Proposed Roadway, which shall be funded as set forth below.

9. Petitioner shall fund, design and construct all on-site roadway improvements necessitated by the proposed Project. Petitioner shall also fund, design, and construct the Proposed Roadway.

10. Petitioner shall participate (on a proportionate share basis) in the funding for the construction of local and regional transportation improvements and programs necessitated by the proposed project, including dedication of rights-of-way as determined by the State Department of Transportation and the County of Maui Department of Public Works.

11. Petitioner shall comply with applicable provisions of State Department of Health Administrative Rules, and Title 11, Chapter 20 concerning Potable Water Systems. Petitioner shall also provide the necessary water source, storage, transmission facilities, and improvements to accommodate the Project.

12. Petitioner shall work out its agreement with the County of Maui to ensure that there is adequate capacity at the existing Lahaina Wastewater Treatment Plant for the Project. Should it be required, Petitioner shall fund its proportionate share to expand or improve the existing Lahaina Wastewater Treatment Plant to the satisfaction of the State Department of Health and the County of Maui. In addition, Petitioner shall fund and construct transmission facilities to service the Project.

13. APIC shall fund and construct wastewater transmission facilities to service the Project to the extent necessary to connect to the nearest existing County wastewater transmission lines.

14. APIC shall also fund and construct transmission facilities as necessary for the disposal of treated effluent as generated by the development, on lands owned by APIC.

15. Petitioner shall submit a final detailed drainage and erosion control plan to the State Department of Health and County of Maui Department of Public Works for review and approval, and fund and construct the necessary drainage improvements. Petitioner shall provide verification that the

grading and runoff water generated by the Project shall not have an adverse effect on adjacent and downstream properties.

16. APIC shall construct offsite drainage improvements for the subject project to accommodate a 100 year storm.

Appropriate mitigation measures shall be taken to reduce impacts on the adjacent and downstream properties.

17. All infrastructure improvements and the construction thereof for the Project shall be developed in compliance with County of Maui standards in accordance with the terms of the Development Agreement between APIC and HFDC.

18. The County of Maui has concerns that pursuant to Act 15 insufficient review time will be available to the various County agencies to review the infrastructure master plans and construction plans should they be submitted simultaneously. The County is required to complete its review within 30 days of submittal by APIC or the plans are deemed approved. This condition is subject to the Development Agreement.

19. Petitioner shall implement effective soil erosion and dust control measures both during and after construction of the Project to the satisfaction of the State Department of Health.

20. Petitioner shall participate in an air quality monitoring program as specified by the State Department of Health.

21. Petitioner shall cooperate with the State Department of Health and the County of Maui Department of Public Works to conform to the program goals and objectives of the Integrated Solid Waste Management Act, Chapter 342G, HRS.

22. Petitioner shall contribute an eight (8) acre site for an elementary school in satisfaction of Department of Education requirements. The eight (8) acre site shall be adjacent to a minimum of four (4) acre public park, subject to the following conditions:

a. The right border of the eight (8) acre school site and the right border of the park shall be aligned in as close to a straight line as possible as agreed to by the State of Hawaii Department of Education and the County of Maui Parks and Recreation Director.

b. The eight (8) acre site for the school shall be free and clear of any conveyances and/or easements.

c. Petitioner shall seek reapproval of its concept plan from HFDC and the State of Hawaii Department of Education shall have the added opportunity to meet with Petitioner regarding any changes in the site.

d. The eight (8) acre site for the school shall be donated to the State of Hawaii.

e. The eight (8) acre site for the school shall be relatively square.

23. As permitted by law, Petitioner shall provide affordable housing opportunities in the Project to give preference for rental or purchase to those persons who are the lessees of record of Wainee Village housing units according to the records of Pioneer and who are eligible to purchase

affordable housing units under HFDC guidelines, and who have been or will be displaced from the Wainee Village.

24. Petitioner shall participate in the funding and construction of appropriate civil defense measures related to the Project as determined by the State and County of Maui civil defense agencies.

25. Petitioner shall construct, at its sole cost, improvements to the community/neighborhood parks within the Property. These improvements include, but are not limited to, grading, installation of landscaping and irrigation, construction of retaining walls and safety fences, and playground equipment.

26. Petitioner shall develop the Property in substantial compliance with the representations made to the Commission. Failure to so develop the Property may result in reversion of the Property to its former classification, or change to a more appropriate classification.

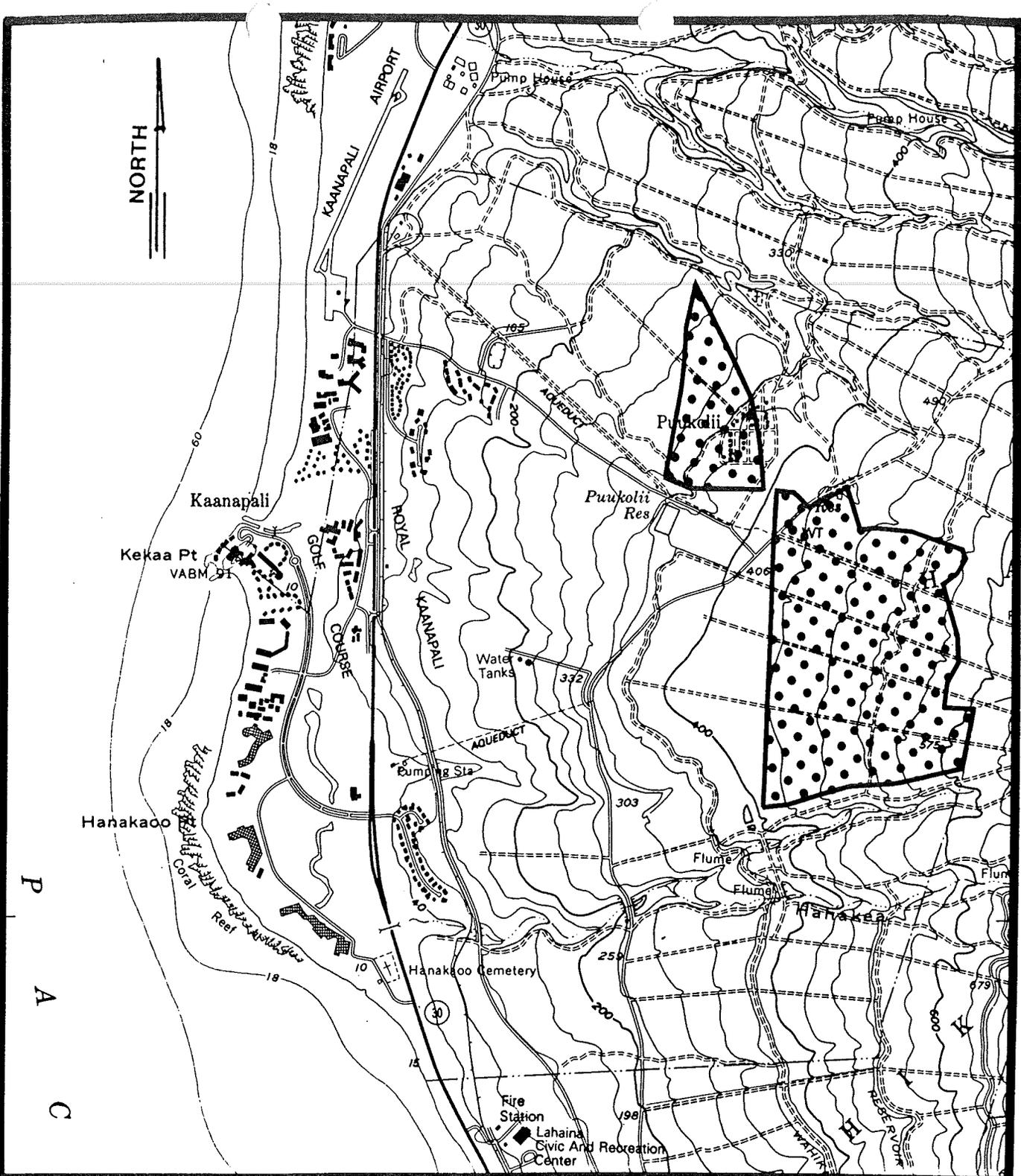
27. Petitioner shall give notice to the Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interests in the Property, prior to development of the Property.

28. Petitioner shall provide annual reports to the Commission, the Office of State Planning, and the County of Maui, Planning Department in connection with the status of the Project and Petitioner's progress in complying with the conditions imposed.

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

30. Within 7 days of the issuance of the Commission's Decision and Order for the subject reclassification, Petitioner shall (a) record with the Bureau of Conveyances a Statement to the effect that the Property is subject to conditions imposed by the Land Use Commission in the reclassification of the Property, and (b) shall file a copy of such recorded statement with the Commission.

31. Petitioner shall record the conditions imposed by the Commission with the Bureau of Conveyances pursuant to Title 15, Section 92, Hawaii Administrative Rules.



DOCKET NO. A92-686 AMFAC PROPERTY INVESTMENT CORP.,
 a Hawaii Corporation AND HOUSING FINANCING AND DEVELOPMENT
 CORPORATION

LOCATION MAP

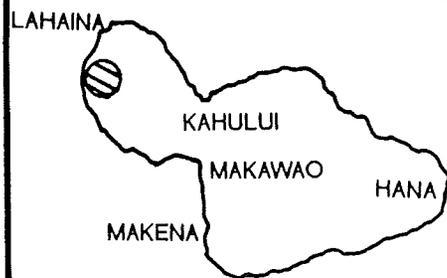
TAX MAP KEY: 4-4-02: por. 02, 4-4-06: por. 01

HANAKAHO, LAHAINA, MAUI

SCALE: 1" = 2,000 ft. ±



APPROVED AREA



MAUI

CERT. DON FUJIMOTO
Amfac Property Investment Corp.
2530 Kekaa Drive
Lahaina, Hawaii 96761

CERT. NEAL WU
Housing Finance & Development Corporation
677 Queen Street, Suite 300
Honolulu, Hawaii 96813

DATED: Honolulu, Hawaii, this 5th day of May 1993.



ESTHER UEDA
Executive Officer