

BEFORE THE LAND USE COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Petition of )  
ALEXANDER & BALDWIN, INC. )  
To Amend the Agricultural Land )  
Use District Boundary into the )  
Urban District for approximately )  
339.3 acres at Kahului, Island )  
and County of Maui, State of )  
Hawaii, TMK: 3-8-01: portion of )  
16, and portion of 2; 3-8-06: )  
portion of 64, portion of 4 )  
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DOCKET NO. A88-634  
ALEXANDER & BALDWIN, INC.

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

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ALEXANDER & BALDWIN, INC., a Hawaii Corporation (hereinafter referred to as "Petitioner"), filed a Petition on December 29, 1988, pursuant to Chapter 205, Hawaii Revised Statutes, as amended, and Title 15, Subtitle 3, Chapter 15, Hawaii Administrative Rules, as amended (hereinafter "Commission Rules"), to amend the Land Use District Boundary to reclassify approximately 339.3 acres of land from the Agricultural Land Use District into the Urban Land Use District situate at Kahului, Maui, State of Hawaii, identified as Tax Map Key Nos.: 3-8-01: portion of 2 and portion of 16; 3-8-06: portion of 64 and portion of 4 (hereinafter referred to as the "Petition Area" or the "Property") to develop an industrial park. The Land Use Commission (hereinafter "Commission"), having heard and examined the testimony and evidence presented and the proposed findings of fact, conclusions of law and

decision and order of the parties, and stipulations and exceptions filed thereto, hereby makes the following findings of fact and conclusions of law:

#### FINDINGS OF FACT

##### PROCEDURAL MATTERS

1. The Petition was filed on December 29, 1988 by Alexander & Baldwin, Inc. to amend the Agricultural District at Kahului, Island of Maui, County of Maui, to reclassify approximately 339.3 acres of land into the Urban District under a program involving five phases.

2. The Commission conducted hearings on May 25 and 26, October 19 and 20, 1989 and February 1 and 2, 1990, pursuant to notice published in the Maui News and the Honolulu Advertiser on April 13, 1989.

3. On April 28, 1989, a petition to intervene was filed by Maui Affordable Housing Alliance, Maui Friends Worship Group and Mental Health Association of Maui by representative Sally Raisbeck. Frederick Rohlfing, Esq. subsequently appeared as attorney for intervenors.

4. A prehearing conference was held on the Petition on May 9, 1989. At the prehearing conference witness lists and exhibits were exchanged among the parties.

5. At the May 25, 1989 public hearing, the Commission heard argument from the parties on the Petition to intervene and granted intervenors' petition to intervene.

6. The Commission allowed Mr. John Bose, Mr. Michael Spalding, Ms. Pat Chaney Fink, Mr. Abraham Aiona, Mr. Manu Goodness, Mr. William Kennison and Mr. Daniel Fong to testify as public witnesses on May 25, 1989.

DESCRIPTION OF THE PROPERTY

7. The Petition Area is identified as Tax Map Key Numbers: 3-8-01: portion of 16, 3-8-01: portion of 2; 3-8-06: portion of 4 and 3-8-06: portion of 64. The Petition Area contains approximately 339.3 acres.

8. The Petition Area is located at Kahului, Maui, and is contiguous to the Urban District. It is located on the northerly portion of the Island of Maui. The Property is situated between the Kahului airport and Puunene town. It is bounded on the west by Dairy Road, on the north by a portion of the airport and Haleakala Highway, on the east by cane fields, and to the south by Puunene Avenue.

9. The Property, which is the subject of the Petition, is owned in fee simple by Alexander & Baldwin, Inc.

10. The Petition Area is bordered on its westerly sector (Dairy Road and Puunene Avenue) by urbanized property. These urbanized areas include the existing Kahului Industrial Areas which represent approximately 55 percent of the existing industrial park areas of Maui.

11. The elevation of the Property varies throughout the site. On the northerly portion of the site the elevation varies from about 50 feet to 20 feet, and on the southerly

portion of the site the elevation varies from approximately 40 feet to 30 feet and to 20 feet along Dairy Road. The site is characterized by a gentle slope of approximately one percent on the Puunene portion of the Property and about three percent on the airport portion of the Property.

12. The rainfall varies between 8 1/2 inches to about 24 inches as measured during the past four years. The average rainfall in the Petition Area is approximately 20 inches.

13. The geology of the area generally reflects unconsolidated deposits, primarily younger alluvium.

14. The United States Department of Agriculture Soil Conservation Soil Survey Report classifies the soils of the petition area as follows: Ewa, Molokai, Pulehu and Waiakoa series. The more predominant soils are Ewa silty clay loam (EaA) and Molokai silty clay loam (MuA). Together these soils comprise approximately 90 percent of the subject Property. Both soils are dark reddish-brown silty clay loam, runoff is slow and erosion hazard slight. The remaining 10 percent of the soils are Pulehu clay loam (PsA) (3 percent slopes) and Waiakoa very stony silty clay loam (WgB) (slopes 3 to 7 percent). For both soil types, permeability is moderate, runoff is slow, and the erosion hazard no more than slight.

15. The Land Study Bureau overall master productivity ratings for the soils on the subject Property are "A" except for a portion of Waiakoa soils which is rated as "D". However, without irrigation, all of the project soils would be rated "E"

since natural rainfall is insufficient to support productivity potential for most agricultural uses.

16. The Department of Agriculture's Agricultural Lands of Importance to the State of Hawaii classification system classifies the property as "Prime" except for the Waiakoa very strong silty clay loam which is classified as "Other Important."

17. The Petition Area is currently used for sugarcane production by HC&S, a division of Alexander & Baldwin, Inc. There is a small area of the property (located within Phase III) which is used by Maui Pineapple Company for a seed treating operation. The Petition Area would be phased out of sugarcane cultivation on a scheduled timetable to coincide with the Department of Transportation's plans for its new access to the airport and consistent with the incremental development of the Petition Area. The surrounding land uses are commercial in nature. A Maui Electric substation is situated on the corner of Dairy Road and Hana Highway. Pacific Machinery base yard, retailing and servicing heavy equipment, is located adjacent to the Maui Electric substation. Adjacent to the Pacific Machinery base yard there exists a commercial building and a service station. On the airport side of Hana Highway (Phase III area) there are support service businesses, and base yards for the construction industry. Commercial businesses are located on the intersection of Dairy Road and Haleakala Highway. Maui Pineapple Company's seed processing plant is

located in the quadrant identified as Phase III of the Petitioner's development plan.

18. According to the U.S. Army Corp. of Engineers Flood Insurance Rate Map (FIRM), the Property is located outside of the flood and tsunami inundation zones.

PROPOSAL FOR DEVELOPMENT

19. Initial Prayer to Commission. The Petition submitted to the Commission proposed to urbanize approximately 100 acres of the Property and to obtain incremental approval of the remaining 240 acres. The development was to be achieved in five phases. Phases IA and IB would be completed by 1995. Phases II-V would be developed on a schedule consistent with a demonstrated need for urbanized property and the various governmental approvals required for the same. The initial development schedule can be summarized as follows:

Phase	Petition Area (Gross Acres)	Gross Develop- ment Area (Acres)	Net Light Industrial Land (Acres)	Development Schedule
IA	59.7	42.9	35.4	1993-1995
IB	<u>40.6</u>	<u>40.6</u>	<u>31.9</u>	1993-1995
Subtotal:	100.3	83.5	67.3	
II	47.5	47.5	39.9	1996-2000
III	55.6	35.2	31.7	1996-2000
IV	72.9	66.3	56.4	2001-2005
V	<u>63.0</u>	<u>59.3</u>	<u>50.4</u>	2006-2010
Total:	339.3	291.8	245.7	

20. Amended Prayer for Relief. While the hearing was in process, the Department of Transportation of the State of Hawaii provided notice to the Petitioner that it intended to increase the planned right-of-way for the expansion of the Kahului airport. The modified right-of-way required a significant portion of what was intended as Phase IA of the development. Further, the State of Hawaii, Department of Transportation provided notice to Petitioner that it was proceeding to acquire all of what was identified as Phase V of the development. As a result of these notifications, at the October 19, 1989 hearing Petitioner changed its prayer under the Petition to reflect the following revised development plan as shown graphically in Petitioner's Revised Exhibit A:

Phase	Gross Development Area (Acres)	On-site Roadways (Acres)	Net Light Industrial Land (Acres)
IA	40.800	7.9	32.900
IB	<u>35.206</u>	<u>6.8</u>	<u>28.406</u>
Subtotal:	76.006	14.7	61.306
II	52.695	10.2	42.495
III	31.934	9.0	22.934
IV	52.357	10.8	41.557
V	<u>0</u>	<u>0</u>	<u>0</u>
Total:	212.992	44.7	168.292

These revisions resulted in Petitioner's request for urbanization (under Phases IA and IB) of 76.006 gross acres,



with a net acreage of 61.306 acres. Petitioner requested incremental approval for Phase II representing 52.695 gross acres and 42.495 net acres. The incremental approval for Phase II, as requested by Petitioner, would be conditioned upon a community plan amendment authorizing the proposed industrial use for Phase II. With regard to Phases III and IV, Petitioner requested that it be allowed to utilize the testimony and reports given under these hearings concerning agricultural, archaeological, flora and fauna impacts at any subsequent hearing for the urbanization of Phases III and IV. Petitioner indicated that it would file a motion with the Commission, as part of its application process for Phases III and IV, in order to obtain the Commission's authority to so use such testimony and reports. With regard to Phase V, Petitioner indicated that it had no objection to either the urbanization or incremental approval of Phase V if the State of Hawaii, Department of Transportation requested the same of the Commission. At the April 10, 1990 hearing, Petitioner clarified to the Commission that the Petition Area was Phase IA and IB and II, which included TMK 3-8-06 portion of 4 and TMK 3-8-01: portion of 2, as identified in Revised Exhibit A. Petitioner further indicated that Phases III, IV and V had been withdrawn.

21. Petitioner proposes to develop an industrial subdivision with typical lot sizes ranging from approximately 10,000 square feet up to 40,000 square feet, with estimated sale prices in 1988 dollars ranging from \$130,000 up through

\$760,000, respectively. The development will conform to all standards adopted by the County of Maui for urban zoning and will comply with all county requirements which are placed upon the development.

22. Petitioner estimates that development costs (Phases I-V in 1988 dollars) would approximate \$50 million based on an estimate of \$3.40 per square foot for construction costs. Phases IA, IB and II would have proportionate development costs based on the estimate of \$3.40 per square foot.

23. Once all of the governmental approvals are obtained it will take approximately three years to complete Phases IA and IB of the development. A major portion of the on-site and off-site improvements will be constructed during the initial development period. Phases IA and IB would be developed and marketed from 1993 to 1995; Phase II would be developed and marketed from 1996 to the year 2000.

#### PETITIONER'S FINANCIAL CAPABILITY

#### TO UNDERTAKE THE PROPOSED DEVELOPMENT

24. Petitioner's Exhibit 10, entitled "Alexander & Baldwin, Inc. 1987 Annual Report" lists total revenues for 1987 at \$655,276,000 and a net income of \$120,353,000. Total assets are estimated at \$981,737,000.

#### NEED FOR THE PROPOSED DEVELOPMENT

25. Petitioner contracted with Peat, Marwick, Main & Company to prepare a market analysis for the proposed

development. The market analysis (Petitioner's Exhibit No. 3) concluded that there is a significant need for the industrial development as described in Petitioner's development plan.

26. Petitioner's methodology in preparing its analysis for market need included a review of the existing and historical demand and use of industrial space on Maui, the projected demand for new space, projections of future additional supply of industrial space and an estimate of future unmet demand for industrial space. The analysis used a conventional employment model, calculating a ratio of industrial workers per gross industrial acre. Using a historical demand ratio (employee per acre of industrial land) and projections of future employment, the future demand for industrial space was identified.

27. In 1985 there were approximately 22,000 people working in industrial land use categories. The County of Maui tax office indicated that there were approximately 1,368 acres of land located in industrial land use categories. From this, a historical demand ratio of 16 workers per acre was calculated.

28. Demand was projected using the Department of Business and Economic Development's projections of employment. Petitioner's market analysis assumed the ratio of employees per industrial acre would increase over time because the Maui economy was changing to a more service oriented economy with less emphasis on agriculture as a heavy industrial user. For

this reason the market consultant increased the ratio of employees per acre from 16 in 1985 to 22 in the year 2010. The increase was phased utilizing 18 employees per acre in 1990, 19 employees in the years 1992 and 1995, 20 employees per acre in the year 2000 and 21 employees per acre in the year 2005.

29. Industrial land use requirements were projected to increase from a level of 1,368 acres in 1985 to 2,068 acres in the year 2010. The sequence of this increase is reflected as follows:

Year:	<u>1985</u>	<u>1990</u>	<u>1992</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2020</u>
Acres:	1,368	1,500	1,526	1,700	1,885	2,014	2,068

30. The existing supply of industrial land was quantified at 1,368 acres. Planned industrial developments totalled 207 acres resulting in a projected supply of 1,605 acres.

31. The projected net unmet demand for industrial land was calculated at 30 acres for 1990 increasing to a total of 463 acres in the year 2010. This increase is calculated as follows:

Year:	<u>1990</u>	<u>1992</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2020</u>
Acres:	30	26	165	280	409	463

Even with the development of the five phases of the Kahului Industrial Park, comprising approximately 206 acres net acres, it is calculated that a shortage of 203 acres will remain to burden the Maui market during the referenced time

period. Assuming that the existing ratio (16 employees per industrial acre) is utilized in projecting future demand, there would then be a total unmet demand of 1,150 acres if the Kahului Industrial Park is developed and a total unmet demand of 1,300 acres if the Kahului Industrial Park is not developed. Phases 1A and 1B of the development will not satisfy the existing demand and will provide only approximately one third of what is needed to satisfy the demand.

32. The existing market for industrial land in Maui shows "almost no available inventory." There are no proposals at this time to meet the 74 percent of the new demand that is projected to come upon the market. The effect of this would be to raise rents and raise prices for industrial land and finished industrial space. This would have the resulting detrimental effect on public interest by increasing the cost of doing business in the County of Maui and creating higher prices for goods and services. This may also constrain needed commercial growth on Maui.

33. The development of the Property is feasible from a market standpoint. The existing market reflects a significant need for industrial land. With the expected growth in Maui's economy, the demand for industrial land will become critical for a healthy economy. The development of the Petition Area plays an important role for a health economic future for the Island of Maui.

#### STATE AND COUNTY PLANS AND PROGRAMS

34. The Petition Area is located within the State Land Use Agricultural District, as reflected on Land Use District Boundary Maps; M-7 (Paia), and M-5 (Wailuku).

35. Only Phase 1 is designated for light industrial development by the County of Maui Wailuku-Kahului Community Plan. Phase 2 will be developed as market conditions warrant and upon receipt of the necessary Community Plan Amendment.

36. The Wailuku-Kahului Community Plan promotes "infill of light industrial between the Kanaha Pond Waterfowl Refuge and Puunene Avenue in Kahului". Additionally, the Wailuku-Kahului Community Plan policy states: "The combination of infill, expansion, and intensification will provide approximately 300 acres of additional industrial area, excluding the Puunene heavy industrial expansion".

37. The Wailuku-Kahului Community Plan also states: "Redesignate approximately 90 acres of TMK: 3-8-06 along the Dairy Road from agriculture to light industrial with 2 acres across Hukilike Street from agriculture to public/quasi-public".

38. A portion of the subject Property located within Phase III contains land within the Special Management Area (SMA) as designated by the County of Maui.

#### IMPACT UPON RESOURCES OF THE AREA

##### Flora

39. According to the botanical survey conducted by Char and Associates and the testimony of Winona Char, there are

no listed, proposed or candidate threatened and endangered flora or plant species found on the Property. The plants and vegetation on the Property involve sugarcane and weedy species associated with cultivated lands. The development of the Property will not have any significant negative impacts on the vegetation and plant life found on the property or on the surrounding areas.

#### Fauna

40. With respect to the fauna located within the Property, Dr. Andrew Berger testified that there are no endemic species located on the subject Property. No significant impact on the biological resources of the area is anticipated. There is no rare fauna situated within the subject Property, and although there may be possible occasional foraging by endemic species such as the Hawaiian bat and Hawaiian owl, reclassification of the subject Property will have no significant impact on either of these species. Also, the development of the subject Property will not have any adverse impact on nearby Kanaha Pond, a wildlife sanctuary primarily for bird life. Studies have indicated that the bird life has adapted to sounds from the nearby Kahului airport and road construction noises and thus the proposed development would have no adverse impact on the endangered Hawaiian water birds.

#### Historic, Archaeological and Cultural Research

41. The archaeological survey conducted on behalf of Petitioner by Xamanek Researches identified no significant

historic sites on the subject Property. Deposits of material found on the subject Property (originally thought to have been volcanic glass) were analyzed and it was concluded the material was an industrial by-product of either a former railroad activity or mill activity on the property. The development of the subject Property as proposed would have no significant impact on the archaeological or historic resources of the area. The State Department of Land and Natural Resources indicated that it was not necessary for an archaeologist to monitor construction activities on the subject Property.

#### Recreational and Scenic Resources

42. The recreational, scenic and cultural resources of the Central Maui region will not be adversely affected by development of the subject Property. Within the Wailuku-Kahului area, adequate parks and recreational facilities have been provided within the existing residential areas of the community. The Petitioner's proposed environmental design standards will insure adequate screening and setbacks, compatibility of building materials and a high level of environmental quality for the proposed project. Petitioner anticipated including on-site environmental design considerations which would include perimeter buffers and screening of views into industrial use areas. This will be coordinated with the development of the new Kahului airport access road.



### Agricultural Impacts

43. Petitioner provided an analysis of the impact of the development of the project on the agricultural resources of the area. The impacts involved the cane withdrawal on HC&S's plantation, the impact on plant operations and the disbursement of mill water. The cane withdrawal involves 1/100 of the total of the plantation acreage. The impact is insignificant, involving an estimate of 3/100ths of a cent per pound. HC&S is considering adding approximately 330 acres of land to its plantation on the southern part of the island. This is unrelated to the project, but reflects the ability of the plantation to add acreage if the economics warrant the action. The insignificance of the withdrawal and the impact on plant operations, is highlighted by the proposed airport access road. The road will cut into the agricultural area creating oddly configured lots. The ability to farm the area after the access road is built is highly doubtful and the economics of farming the same is highly questionable.

### Disposal of Mill Water

44. Mr. Sakuma testified concerning the HC&S program to deal with disposal of mill water. He indicated that Phase I and II land can be accommodated by decreasing the interval by which water is irrigated into the fields. Irrigation now takes place on a 15 day interval and after the removal of Phase II the irrigation interval would drop to a ten day interval. This

would be adequate to accommodate the disposal of the mill wastewater for Phases I and II.

#### Impact on Existing Land Uses

45. There will be no significant impact on existing land uses as a result of the development of the Petition Area.

#### Scenic Resources

46. Petitioner provided an analysis concerning the impact of proposed development on the scenic resources of the area. The analysis concluded that the development of the Petition Area as proposed by the Petitioner would not have any significant adverse impact on the scenic resources of the area.

#### Air Quality Resources

47. Petitioner provided an analysis concerning the impact of proposed development on air quality of the area. The analysis concluded that the development of the Petition Area, as proposed by the Petitioner, would not have any significant impact on the air quality of the area.

#### Noise Environment

48. Petitioner provided an analysis concerning the impact of the proposed development on the noise environment of the area. The analysis projected Ldn contour lines relating to the development plan. The analysis concluded that the development of the Petition Area as proposed by the Petitioner would not have any significant impact on the noise environment of the area. Testimony indicated that some noise would occur during construction and noise would be created through the

Kahului airport activity, but the noise level during construction would be marginal and the noise as a result of the Kahului airport would be compatible with the industrial activity on the property. As shown in the Office of State Planning Exhibit No. 2, the 1987 noise contours for Kahului Airport ranged from 55 Ldn to 75 Ldn in relation to the subject Property.

#### ADEQUACY OF PUBLIC SERVICES AND FACILITIES

##### Water

49. The impact on the groundwater resources of the Central Maui region arising from development of the subject Property will be minimal because potable water for the industrial development (Phases IA and IB) will be drawn from existing wells located in Waihee developed through the Central Maui Source Joint Venture. The Joint Venture consists of A & B Properties, Inc., Wailea Development Company, Inc., Hawaiiana Investment Company, Inc. (now known as C. Brewer Properties) and Seibu Real Estate Company, Limited. The Joint Venture has developed 13.5 million gallons per day (mgd) of the projected 19 mgd source development agreed upon between the parties. Petitioner has been allocated 4/19th of all water developed from the joint venture.

##### Source Requirements

50. The Central Maui Source Joint Venture will provide sufficient potable water for Phases IA and IB, and other sources will be developed to service Phase II and the

other phases. Petitioner is now participating in a second water development joint venture in the East Maui area. This joint venture plans to develop an additional 6.6 mgd of potable water. Petitioner anticipates an allocation of approximately 2.5 mgd of potable water from East Maui sources. This new source will be available for the development of Phases II-IV.

#### Water Demand

51. The Maui County Department of Water Supply requires that new industrial developments base their water systems on an average demand factor of 6,000 gallons per acre per day. The average daily demand for the developable area of Phases IA and IB (61.306 net acres) multiplied by 6,000 gallons per acre per day will result in a requirement of approximately 367,836 gallons per day. The water requirements for Phase II will total 254,970 gallons per day.

#### Water Improvements

52. The Petitioner has committed to provide all of the water requirements for the development, and to provide the necessary infrastructure to develop both the on-site and off-site improvements to assure a sufficient water supply for the proposed development. The development of the project as proposed would create no adverse impact upon the water systems or water resources serving the area. The project will, in fact, assist the water resources for the area by creating the impetus for new source development as well as major storage, transmission and distribution improvements.

### Wastewater

53. Petitioner proposes to construct a wastewater system in conjunction with the development of the project. The system will involve an additional STP for Wailuku and Kahului or an expansion of the existing Wailuku/Kahului wastewater plant or a combination or both.

### Wastewater Demand

54. The developable acreage within the Petition Area calculated at the standard 4,300 gallons per acre per day (as imposed by the County of Maui) will generate 263,616 gallons per day of wastewater for Phases IA and IB. Phase II will generate a total of 182,729 gallons per day.

### STP Capacity

55. Petitioner has entered into a joint venture with C. Brewer Properties, Maui Lani and the County of Maui to construct a new Central Maui Wastewater Treatment Plant. The wastewater project is anticipated to be completed and on-line by mid-1993.

### Wastewater Improvements

56. The Petitioner has committed to provide the wastewater requirements of the development by providing the necessary wastewater improvements, both on-site and off-site to insure adequate wastewater services for the proposed development. The development of the project will have no adverse impact on the sewer treatment facilities and services

of the area and will, in fact, be a major part of improving the wastewater treatment services for the area.

#### Drainage

57. The drainage problem is a regional issue. A lot of the flow is coming from mauka of Hana Highway--from, say Pu'unene via four-inch drains and a maze of ditches. This series of ditches and culverts flows towards the Hana Highway-Dairy Road intersection. The Petitioner is a major landowner in the area. There will be future land development beyond the Petition Area. The solution to the drainage problem should be worked out by the various parties: the State, the County and the Petitioner; and each should pay its fair share. Presently, storm water (from large intense storm activity) run off from the area mauka of Hana Highway flows parallel with Dairy Road, crosses Hana Highway and ultimately flows into Kanaha Pond. Storm water run off from the area makai of Hana Highway flows in a northwesterly direction across the site, ultimately discharging into Kalialinui Stream. Petitioner proposes an off-site drainage facility. Collected storm run off from a portion of the development will be picked up by a proposed off-site drainage ditch (to be constructed with the airport industrial subdivision) running from Haleakala Highway to Kalialinui Stream at Amala Place. The remainder of the project will be drained by pipes running along Haleakala Highway and into the proposed airport access road, discharging into Kalialinui Stream near the Kahului airport.

#### On-Site Storm Run Off

58. On-site storm run off will be collected by a system of catch basins, drain inlets, and pipes. Drains in the portion of the project south of Hana Highway will generally slope towards Hana Highway. Drains in the remainder of the development will generally slope northward and towards Kahului airport. The collected on-site storm run off for the project will ultimately discharge into Kalialinui Stream.

#### Storm Drainage

59. The storm drainage calculation for Phases IA and IB, (gross area of 76.006 acres and a net area of 61.306 acres) is approximately 90 cubic feet per second. Phases II-IV will generate a storm run off of 154 cubic feet per second for a total run off for the project of 243 cubic feet per second.

#### Dairy Road Flooding

60. As a result of storm action, there is recurrent flooding at the intersection of Hana Highway and Dairy Road. This area is not within the Petition Area. The flooding at Dairy Road is a result of the large drainage basin which takes all run off through the cane fields into a drainage pattern to Kanaha Pond. There exists a low area around Dairy Road and Hana Highway where water collects at times of intense storm and overflows Hana Highway to Kanaha Pond. The storm water resulting from the development will be channelled into a storm drain system and thus avoid this low area at Hana Highway and Dairy Road. The Phase I drainage system will take some of the

water which currently flows on to the Hana Highway/Dairy Road intersection to avoid this low area. Consequently, the proposed drainage plan will alleviate the Hana Highway/Dairy Road flooding problem. Consequently, the project drainage system will take all of its water into an efficient storm drainage system and will result in alleviating the current (off-site) problems at Hana Highway and Dairy Road.

#### Storm Run Off Impact

61. The development of the project as proposed will have no adverse impact on the storm run off of the area, nor will it have an adverse impact upon the adjacent properties. In fact, the development of the project as proposed would alleviate some of the off-site storm run off problems within the vicinity.

62. Access to Phase IA of the project is proposed off Dairy Road and access to Phase IB is proposed off Puunene avenue. If feasible, and allowed by the State Department of Transportation, Petitioner has alternate plans to install an underpass under the airport Access Road to connect Phase IA with Phases IB and II. If the underpass is not feasible, a modified layout with two access points from Phase IA onto Dairy Road will be implemented. Phase II of the project will be connected through internal roadways to Phase IB and Puunene Avenue with access points planned to the east of the Property in the area of Pulehu Road and Hana Highway which will be coordinated with State Department of Transportation highway



improvement plans for the area. Internal circulation roadways shall be constructed to County of Maui standards with internal roadway stubouts to adjacent properties for purposes of future access connectors. All internal roadways shall have 56-foot wide right-of-ways and the major collector streets shall be 60 feet wide.

#### Traffic

63. The roadway and highways currently servicing the area consist of Puunene Avenue, Dairy Road, Hana Highway, Haleakala Highway and various cane haul roads. Petitioner's Traffic Impact Analysis Report concludes that with installation of certain traffic control devices there will be no adverse impact upon the public highway and roadway facilities of the area resulting from development of Phases IA and IB of the Property. Petitioner's Traffic Consultant Austin Tsutsumi and Associates, Inc. assessed the traffic impacts resulting from Phases IA and IB of the development and concluded that the new airport access road (Kuihelani Highway Extension) coupled with development of Phases IA and IB of the project would generally increase traffic demands at the project access road intersections. This could be effectively mitigated by the following recommendations:

1. Constructing a left turn lane with 250-foot storage lane on southbound Puunene Avenue at the project access road.

2. Designing the intersection of Puunene Avenue and the project access road to accommodate movements

for semi-trailer combination vehicles. Traffic signals at this intersection are not recommended at this time.

Revising the traffic signal phasing at the intersection of Puunene Avenue and Kuihelani Highway to provide for protective/permissive left turns on all approaches, as part of the Kuihelani Highway Extension. This will permit the left turn movements during the "green ball" indication, as well as the protection left turn arrow indication, thereby improving the left turn capacities.

4. Providing a minimum 320 foot left turn lane on west bound Kuihelani Highway Extension at Puunene Avenue as part of the Kuihelani Highway Extension.

5. Extending the right turn only lane on north bound Puunene Avenue to provide for 300 feet of storage as part of the Kuihelani Highway Extension. This will prevent the through traffic queue from blocking the right turn lane and will allow "right turn on red" movement.

Petitioner is in consultation with the State Department of Transportation Airports Division to coordinate development of the subject Property with the final right-of-way for the new airport access road.

The traffic improvements, as proposed by Petitioner's consultant, will mitigate impacts on public facilities regarding transportation corridors in the area.

#### Island Wide (Regional) Traffic Plan

64. Currently an island wide traffic study is being conducted to develop a regional traffic plan. This study will determine the needs concerning the major corridors adjacent to the Petition Area, i.e., Hana Highway, Kuihelani Highway, Mokulele Highway and Puunene Avenue. This plan will directly

affect the project. When this plan is completed and the final airport access road is identified, the recommendation for improvements to accommodate Phases II-IV can be made. Until then, any analysis and recommendations relative to subsequent Phases would be premature.

Petitioner will provide all necessary roadway improvements to develop the project.

#### Impact on Coastal Water

65. The coastal waters of the region will not be significantly impacted by the proposed development. Petitioner will establish appropriate systems to contain spills and prevent potential pollutants from flowing into the storm drainage system from industrial park operations. All activities within the industrial park will adhere to Federal, State and Maui County regulations with regard to the handling, use and storage of petroleum products, chemicals and other potential pollutants. Petitioner will provide sedimentation ponds to hold run off water before draining to the ocean. Petitioner believes the development of the property will have no adverse impact on the coastal water quality and aquatic resources of the area.

#### Solid Waste Services

66. The existing solid waste system and solid waste landfill are located approximately one mile from the subject Property off Pulehu Road. The solid waste generated by the

development will be delivered to that facility by either private collection or by the County of Maui collection system. At present, the County of Maui is exploring alternatives to solid waste disposal.

#### Telephone and Electrical Service

67. The subject Property will be serviced by the Maui Electric Company system and the Hawaiian Telephone Company system. These companies have lines adjacent to the subject Property. The utilities indicate that their existing systems will be able to provide adequate service for the proposed development upon construction of improvements to their systems.

#### Public School

68. Due to the nature of the industrial park development proposed by Petitioner, development of the project will not have any significant impact on the public schools and public parks servicing the area.

#### Police and Fire

69. Police and fire protection services provided by the County of Maui will not be burdened by development of the subject Property. It is anticipated that the additional tax revenue generated by development of the subject Property will provide additional funding for police and fire protection services.

#### Commitment of State Funds and Resources

70. The development of the subject Property as proposed by the Petitioner will not have a negative impact on

governmental resources. The Petitioner has committed to provide its pro rata fair share to minimize the impacts upon the State of Hawaii facilities directly arising from the impact related to approval of the proposed project. The Petitioner will also commit to provide its pro rata fair share of drainage improvements necessary to address the existing flooding problem at the intersection of Hana Highway and Dairy Road pursuant to a program to be determined between the Petitioner and the applicable State of Hawaii and County of Maui agencies. Further, Petitioner has committed to proceed with the development of additional water and wastewater resources for the area.

#### Economic Impacts

71. Petitioner anticipates that development of the subject Property as proposed will have both direct and indirect positive impacts on the Maui economy. The proposed project is in concert with the economic priority guidelines found in Section 226-103(a)(8), Hawaii Revised Statutes. This statute provides that private initiative should be encouraged for development and to attract industries which promise long-term growth potential and would provide reasonable income and steady employment. The development of the subject Property as the Kahului Industrial Park will help meet the strong demand for industrial zoned space in the Wailuku-Kahului area. In addition, indirect jobs and secondary employment opportunities

will be generated by the development of the Kahului Industrial Park in the Central Maui region.

#### Pro Rata Share of Costs

72. The economic impact of the project on State and County revenues is expected to involve the benefits of the increase in the construction-related tax and income/ excise tax revenues from the industrial tenants within the project. The Petitioner proposes to provide its pro rata fair share of costs to infrastructure improvement to minimize the impact on public services and facilities as a result of development of the proposed project.

#### Social Impacts

73. The Central Maui area has been characterized as rapidly developing without a concurrent growth in the supply of industrial zoned lands. Due to the favorable location close to the Kahului Airport, development of the subject Property as an industrial subdivision will provide the necessary space to accommodate industrial uses which are generally not available in the Wailuku-Kahului area.

74. Employee housing for industrial workers may be needed during periods of low unemployment. The requirement of an employee housing study as part of the applicant's zoning application is a method of obtaining data upon which to establish a relationship between commercial or industrial development and the need for housing for these employees.

CONFORMANCE WITH THE APPLICABLE DISTRICT STANDARDS

(SECTION 205-17(2) HAWAII REVISED STATUTES)

75. The project conforms with the Urban District boundary standards contained in Section 205-17(2), Hawaii Revised Statutes and also meets the standards for determining "U" Urban district boundaries contained in Section 15-15-18 of the Commission Rules.

76. The subject Property is immediately contiguous to an existing Urban District and is functionally part of an urbanized "city-like" area experiencing rapid urban growth which is projected to continue for the foreseeable future. The subject Property is proximate to several trading and employment centers, including the transportation center of the Kahului Airport. The subject Property is also in close proximity to lands characterized by "city-like" concentrations of people, structures, streets, urban level of services and other related land uses. All utilities to service the project are existing and located adjacent to the subject Property with on-site installations to be provided at Petitioner's expense.

77. The subject Property is owned by Petitioner and located at the gateway to Maui adjacent to the proposed new airport access road to Kahului Airport. In light of the strong demand for industrial zoned lands within the County of Maui and Petitioner's history of long standing economic viability in diverse industries, the economic feasibility of the proposed development by Petitioner is substantiated by the record.

78. The subject Property is in close proximity to basic urban services such as sewers, transportation systems, water, sanitation, schools, parks, and police and fire protection.

79. The subject Property is reasonably free from the dangers of floods, tsunamis, unstable soil conditions and other adverse environmental conditions. The urbanization of the subject Property will not contribute to scattered or spot urban development because the classification of the subject Property as Urban would be consistent with the adjacent urbanized lands in the Kahului area. Phases IA and IB of the project are designated for industrial use in the Wailuku-Kahului community plan. Petitioner has requested incremental redistricting of Phase II from the Agricultural to the Urban district conditioned upon obtaining Maui Community Plan Industrial designation for Phase II, and demonstrating substantial completion of off-site and on-site improvements of the preceding Phases IA and IB in accordance with the approved incremental plan.

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

80. The Petitioner's proposed project is consistent with the applicable goals, objectives and policies of the Hawaii State Planning Act as found in Sections 226-1 through 63, Hawaii Revised Statutes, as amended. The project as proposed is also in conformity with the applicable priority



guidelines contained in Sections 226-101 through 105, Hawaii Revised Statutes, as amended.

81. The project is in general conformity with the applicable Functional Plans adopted by the Hawaii State Legislature as guides to implement the Hawaii State Plan in functional areas.

82. The proposed reclassification is consistent with the following objections, policies, and priority guidelines of the Hawaii State Plan:

Section 226-6(a)	Planning for the State's economy in general shall be directed towards achievement of the following objectives: (1) increased and diversified employment opportunities to achieve full employment, increased income and job choice, and improved living standards for Hawaii's people. (2) A steadily growing and diversified economic base that is not overly dependent on a few industries. ... (8) Encourage labor-intensive activities that are economically satisfying and which offer opportunities for upward mobility.
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. . .

Section 226-103(a)(8)	Provide public incentives and encourage private initiative to develop and attract industries which promise long-term growth potentials....
-----------------------	--

83. The proposed project generally conforms with the preceding objectives and policies through the provision of industrial zoned lands and increased employment opportunities for Hawaii's people. Development of the proposed project will conform with public health, safety and sanitation standards.

#### CONFORMANCE WITH COASTAL ZONE MANAGEMENT OBJECTIVES AND POLICIES

84. The proposed reclassification of the Property for the development of the project conforms to the policies and objectives of the Coastal Zone Management program detailed in Chapter 205A, Hawaii Revised Statutes, as amended.

85. The project site lies outside the designated storm wave and tsunami inundation zones and no adverse impacts on marine ecosystems and water quality standards are expected from the project if mitigation measures are implemented. Phase IA and IB are located outside of the County of Maui Special Management Area and thus no Maui Coastal Zone Management or Special Management Area Use Permits are required. Furthermore, since no wetlands are found on the project site, no U.S. Army Corps of Engineers wetland permits are expected to be required.

#### INCREMENTAL DISTRICTING

86. Petitioner states that full development of the Property for Phase IA (40.800 acres) and IB (35.206 acres) for a total acreage for Phases IA and IB of approximately 76.006 acres, as shown graphically in Petitioner's Revised Exhibit A shall be substantially complete within five years after the date of final county zoning approval. Therefore, the Commission finds that Petitioner's request to reclassify approximately 76.006 acres in Phases IA and IB of the Property to the Urban District at this time is appropriate if certain conditions are met by the Petitioner.

87. Petitioner also states and the Commission finds that incremental districting pursuant to Section 15-15-78 of the Commission Rules of Phase II for approximately 52.695 acres of the Property as shown graphically in Petitioner's Revised Exhibit A is warranted, subject to the conditions that (1) Petitioner obtain Community Plan Industrial designation from the County of Maui for Phase II, and (2) Petitioner, pursuant to Section 15-15-78(d) of the Commission Rules, demonstrates to the Commission that Petitioner has substantially completed offsite and onsite improvements of the preceding Phase IA and Phase IB Urban designated areas in accordance with the approved incremental plan.

#### RULING ON PROPOSED FINDINGS OF FACT

Any of the proposed findings of fact submitted by the Petitioner or the 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 Hawaii Land Use Commission Rules, as amended, the Commission finds upon a preponderance of the

evidence that the reclassification of Phase IA and Phase IB of the Property, as amended and as shown on Petitioner's Revised Exhibit A, consisting of approximately 76.006 acres from the Agricultural Land Use District into the Urban Land Use District at Kahului, Island and County of Maui, State of Hawaii, subject to the conditions stated in the Order, conforms to the standards for establishing the Urban District Boundaries, is reasonable, non-violative of Section 205-2, Hawaii Revised Statutes, and is consistent with Chapter 226, Hawaii Revised Statutes, as amended.

Incremental districting of Phase II of the Property as amended and as shown on Petitioner's Revised Exhibit A, pursuant to Section 15-15-78 of the Commission Rules, consisting of approximately 52.695 acres from the Agricultural Land Use District into the Urban Land Use District at Kahului, Island and County of Maui, State of Hawaii, subject to the conditions stated in the Order, conforms to the standards for establishing the Urban District Boundaries, is reasonable, non-violative of Section 205-2, Hawaii Revised Statutes, and is consistent with Chapter 226, Hawaii Revised Statutes, as amended.

#### ORDER

IT IS HEREBY ORDERED that Phase IA and Phase IB of the Property, as amended, consisting of approximately 76.006 acres, being the subject of this Docket Number A88-634 by Alexander and Baldwin, Inc., situate at Kahului, Island and County of

Maui, State of Hawaii, identified as Tax Map Key Numbers: 3-8-06: portion of 4, and approximately identified in Exhibit "A" attached hereto and incorporated by reference herein, for reclassification from the Agricultural District to the Urban District, shall be and is hereby approved, and the State Land Use District Boundaries are amended accordingly, subject to the following conditions of the Order.

IT IS ALSO HEREBY ORDERED that Phase II of the Property, as amended, consisting of approximately 52.695 acres, being the subject of this Docket Number A88-634 by Alexander and Baldwin, Inc., situate at Kahului, Island and County of Maui, State of Hawaii, identified as Tax Map Key Numbers: 3-8-06: portion of 4 and 3-8-01: portion of 2, and approximately identified in Exhibit "A" attached hereto and incorporated by reference herein, for incremental reclassification from the Agricultural District to the Urban District, pursuant to Section 15-15-78 of the Commission Rules, shall be and is hereby incrementally approved, subject to the following conditions of the Order.

The reclassification of Phases IA and IB and the incremental redistricting of Phase II of the Property as stated above are subject to the following conditions of approval:

1. Petitioner shall fund, design, and construct the necessary roadway improvements as required by the State Department of Transportation and the County Department of

Public Works to accommodate additional traffic generated by the proposed development.

2. Petitioner shall establish appropriate systems to contain spills and prevent materials associated with light industrial uses such as petroleum products, chemicals or other pollutants, from leaching or draining into the storm drainage system to the satisfaction of the applicable governmental agencies.

3. Storage and/or disposal of hazardous wastes shall be approved by the applicable Federal, State and/or County of Maui agencies prior to their establishment on the Property.

4. Petitioner shall inform all prospective occupants of possible odor, noise, and dust pollution resulting from surrounding Agricultural District Lands, and that the Hawaii Right-To-Farm Act, Chapter 165, Hawaii Revised Statutes, limits the circumstances under which pre-existing farming activities may be deemed a nuisance.

5. Petitioner shall implement, in cooperation with the State Department of Transportation, procedures to address notification and liability issues which arise from the potential adverse impacts from noise and other incidences of aircraft operations upon the present and future lessees or occupants of the Property resulting from the adjacent Kahului Airport operations. The procedures will provide an indemnification by Petitioner and any lessees or grantees of Petitioner or occupants of the Property in favor of the State

of Hawaii, indemnifying the State of Hawaii against claims, liability and losses that arise from adverse noise and other incidences on the Property resulting from aircraft operations into and out of the Kahului Airport. The above procedures to address the notification and liability issues shall not operate to authorize or excuse the operation of the Kahului Airport in violation of any applicable Federal, State or County of Maui requirements governing aircraft safety and noise abatement measures, nor shall it authorize or excuse any negligence or willful misconduct in the operation of the Kahului Airport.

6. Petitioner shall pay their fair share as determined from the approved Department of Land and Natural Resources study to the State of Hawaii for the installation of such improvements or install such off-site drainage improvements to accommodate the downstream runoff generated from the proposed project and to alleviate the current flooding problem at the Hana Highway-Dairy Road intersection. The downstream major collector drainage system shall be designed to accommodate the 100-year storm.

7. Petitioner shall fund and develop, as required by the County of Maui and the State Department of Health, measures necessary to expand existing on-site and off-site wastewater transmission, collection, treatment, and disposal facilities to accommodate the wastewater generated by the project.

8. Petitioner shall revise the archaeological report to include the results and interpretation of the laboratory analysis of the volcanic glass. Two copies of the revised report shall be submitted to the Historic Sites Section of the Department of Land and Natural Resources for their review.

Should any archaeological resources such as artifacts, shell, bone or charcoal be encountered during the project's development, the Petitioner shall immediately stop work and contact the State Historic Sites Section. A professional archaeologist shall be hired to monitor construction work.

9. In the event that Petitioner should sell its interest in the project, Petitioner shall subject the Property to deed restrictions to run with the land which shall require the successors and assigns to comply with the terms and conditions set forth in the Commission's Decision and Order.

10. In the event that the County of Maui does not have an adopted employee housing policy for commercial and industrial developments at the time the change in zoning application for Phase I by the Petitioner is made, the Petitioner shall submit a housing study addressing the following as part of the zoning application:

a. the impact the project will have on the current labor force;

b. the potential requirement and type of housing which will be created by the project; and



c. the proposed mitigation measures to alleviate the impact on both the labor market and the housing shortage.

This report shall be submitted to the Department of Planning and the Office of State Planning for review. The Petitioner will be subject to an employee housing requirement as approved by the County Council.

11. Where satisfaction of any condition of approval herein, or any portion thereof, is dependent upon a Federal, State and/or County of Maui agency, department, board or commission making a determination of a fair share or pro rata assessment of the Petitioner's obligation for the funding, construction of, or participation in on-site or off-site improvements or programs, such determination shall be provided to the Petitioner by the applicable agency, department, board or commission within a reasonable time period after the effective date of this Decision and Order.

12. Petitioner shall develop the Property in substantial compliance with representations made to the Land Use Commission in obtaining the reclassification of the Property.

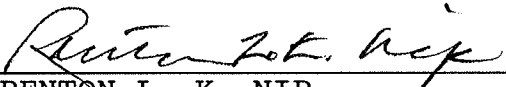
13. Petitioner shall give notice to the Land Use Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interest in the Property covered by the approved Petition, prior to development of the Property.

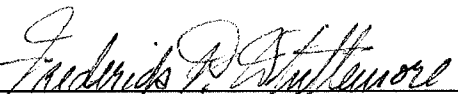
14. Petitioner shall submit an annual report to the Land Use Commission, the County of Maui Planning Department and the Office of State Planning in connection with the status of the project and Petitioner's progress in complying with the conditions imposed.


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

Done at Honolulu, Hawaii, this 17th day of May 1990,  
per motion on April 23, 1990.

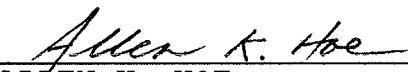
LAND USE COMMISSION  
STATE OF HAWAII

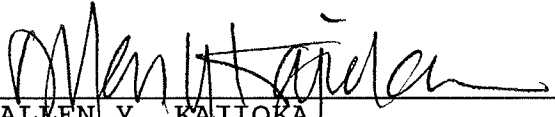
By   
RENTON L. K. NIP  
Chairman and Commissioner

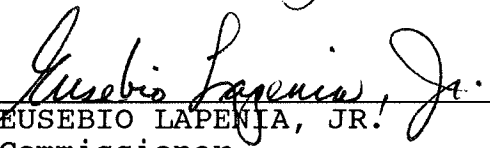
By   
FREDERICK P. WHITTEMORE  
Vice Chairman and Commissioner

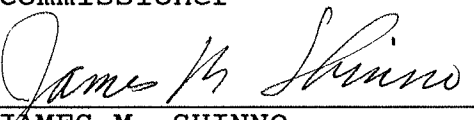
By   
LAWRENCE F. CHUN  
Commissioner


By (conflict)  
SHARON R. HIMENO  
Commissioner

By   
ALLEN K. HOE  
Commissioner

By   
ALLEN Y. KAJIOKA  
Commissioner

By   
EUSEBIO LAPENIA, JR.  
Commissioner

By   
JAMES M. SHINNO  
Commissioner

By   
ELTON WADA  
Commissioner

Filed and effective on  
May 17, 1990

Certified by:

  
Executive Officer

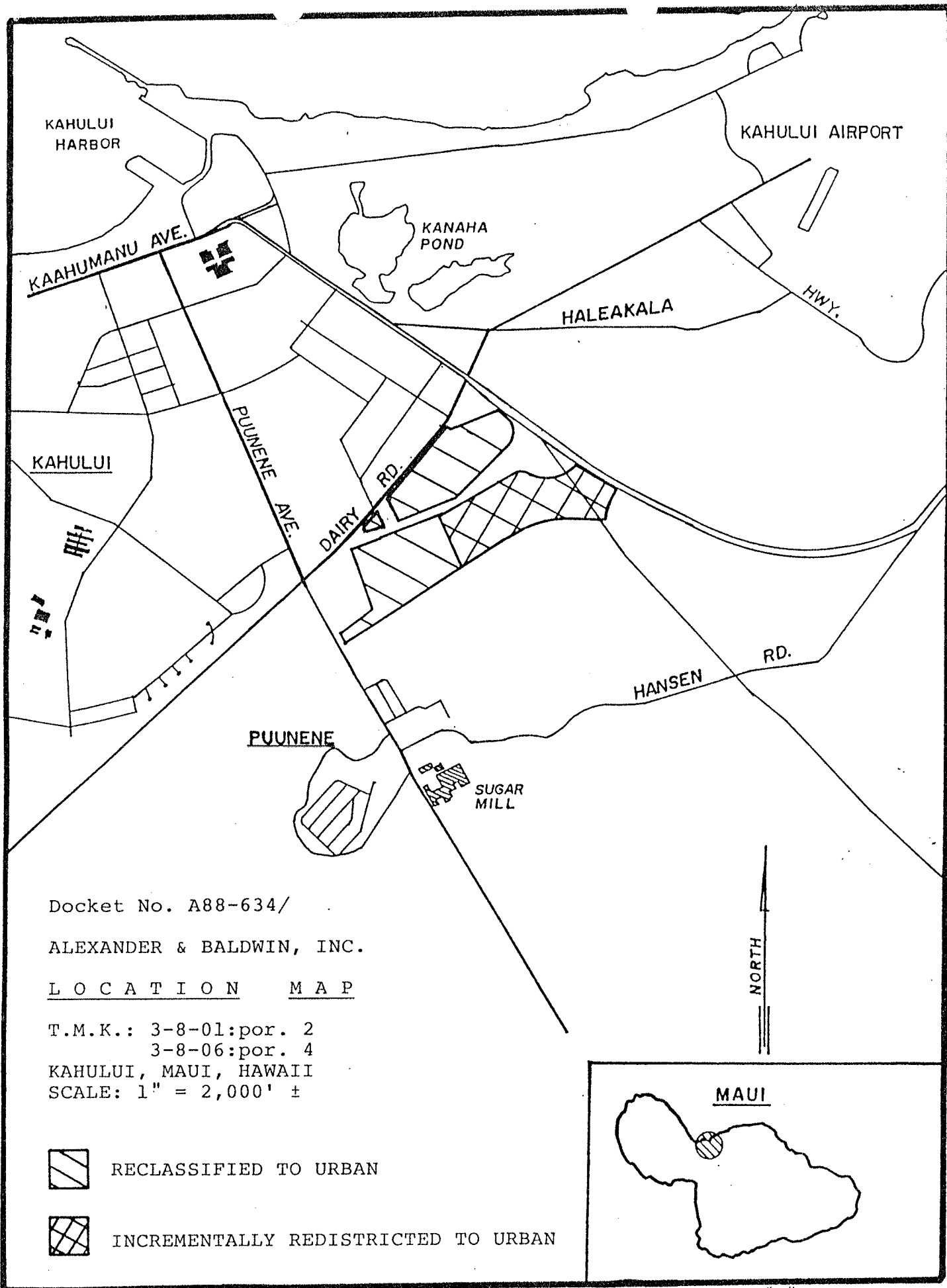


EXHIBIT "A"

BEFORE THE LAND USE COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Petition of )	DOCKET NO. A88-634
ALEXANDER & BALDWIN, INC. )	
To Amend the Agricultural Land )	ALEXANDER & BALDWIN, INC.
Use District Boundary into the )	
Urban District for approximately )	
339.3 acres at Kahului, Island )	
and County of Maui, State of )	
Hawaii, TMK: 3-8-01: portion of )	
16, and portion of 2; 3-8-06: )	
portion of 64, portion of 4 )	
_____ )	

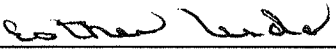
CERTIFICATE OF SERVICE

I hereby certify that a copy of the Findings of Fact, Conclusions of Law, and Decision and Order was served upon the following by either hand delivery or depositing the same in the U. S. Postal Service by certified mail:

	HAROLD S. MASUMOTO, Director Office of State Planning State Capitol, Room 410 Honolulu, Hawaii 96813
CERT.	CHRISTOPHER L. HART, Planning Director Planning Department, County of Maui 200 South High Street Wailuku, Hawaii 96793
CERT.	GLENN KOSAKA, ESQ. Corporation Counsel Office of the Corporation Counsel County of Maui 200 South High Street Wailuku, Hawaii 96793
CERT.	PAUL R. MANCINI, ESQ., Attorney for Petitioner Case and Lynch Suite 470, 33 Lono Avenue Kahului, Hawaii 96732

CERT. FRED W. ROHLFING, ESQ., Attorney for Intervenors  
RR#1, Box 398  
Kekaulike Avenue  
Kula, Maui 96790

DATED: Honolulu, Hawaii, this 17th day of May 1990.

  
\_\_\_\_\_  
ESTHER UEDA  
Executive Officer