

Of Counsel:

ASHFORD & WRISTON LLP

A Limited Liability Law Company

BENJAMIN A. KUDO 2262-0

CONNIE C. CHOW 8556-0

999 Bishop Street, Suite 1400

Honolulu, Hawaii 96813

Telephone: (808) 539-0400

Attorneys for Petitioner

QUEEN LILI'UOKALANI TRUST,

a private operating foundation

LAND USE COMMISSION
STATE OF HAWAII

2015 AUG 14 A 11:17

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition of

QUEEN LILI'UOKALANI TRUST

To Amend the Agricultural District Boundary into the Urban District for approximately 919.366 acres and to Amend the Conservation District Boundary into the Urban District for approximately 188.358 acres, at Keahuolū, Island, County and State of Hawaii, Hawaii Tax Map Key Nos. (3) 7-4-08: por. 2, por. 12

DOCKET NO. A89-646

**MOTION FOR ORDER MODIFYING
THE FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND
DECISION AND ORDER FILED
AUGUST 28, 1991; MEMORANDUM IN
SUPPORT OF MOTION; AFFIDAVIT OF
LEEANN CRABBE; EXHIBITS "1" – "4";
CERTIFICATE OF SERVICE**

Hearing

Date: _____

Time: _____

**MOTION FOR ORDER MODIFYING THE FINDINGS OF FACT, CONCLUSIONS OF
LAW, AND DECISION AND ORDER FILED AUGUST 28, 1991**


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

QUEEN LILI'UOKALANI TRUST, a private operating foundation ("Petitioner"), by and through its attorneys ASHFORD & WRISTON LLP, respectfully moves the Land Use Commission of the State of Hawaii (the "Commission") for an Order modifying the Findings of Fact, Conclusions of Law and Decision and Order filed August 28, 1991 ("1991 Decision and Order") to remove 212.333 acres of Agricultural Land Makai of Queen Ka'ahumanu Highway currently designated for incremental reclassification to the Urban District from the docket and the Petition Area that is subject to the 1991 Decision and Order ("Phase III"). Phase III is further identified as Tax Map Key ("TMK") No. (3) 7-4-008:002 (por.) and is shown as the 1991 D&O Urban Phase III in the graphic attached hereto as Exhibit "1".

Petitioner's motion is made pursuant to Hawaii Administrative Rules ("HAR") § 15-15-70 and § 15-15-94, and is supported by the attached memorandum, exhibits, declarations and records and files herein.

Petitioner respectfully requests a hearing on this Motion.

DATED: Honolulu, Hawaii, August 14, 2015.



BENJAMIN A. KUDO
CONNIE C. CHOW
Attorneys for Petitioner
QUEEN LILI'UOKALANI TRUST

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of

QUEEN LILI'UOKALANI TRUST

To Amend the Agricultural District Boundary into the Urban District for approximately 919.366 acres and to Amend the Conservation District Boundary into the Urban District for approximately 188.358 acres, at Keahuolū, Island, County and State of Hawaii, Hawaii Tax Map Key Nos. (3) 7-4-08: por. 2, por. 12

DOCKET NO. A89-646

MEMORANDUM IN SUPPORT OF
MOTION

MEMORANDUM IN SUPPORT OF MOTION

I. INTRODUCTION

The purpose of this motion is to remove 212.333 acres of incrementally reclassified Urban land from the Petition Area that is subject to the 1991 Decision and Order entered in this docket on August 28, 1991. This area is referred to in this docket and throughout this motion as "Phase III" and is shown by metes and bounds on the map attached hereto as Exhibit "2".

In order to remove Phase III from this docket, Petitioner is requesting that the Land Use Commission of the State of Hawaii (the "Commission") modify the 1991 Decision and Order to remove this area from the Petition Area and from this docket.

II. RELEVANT BACKGROUND

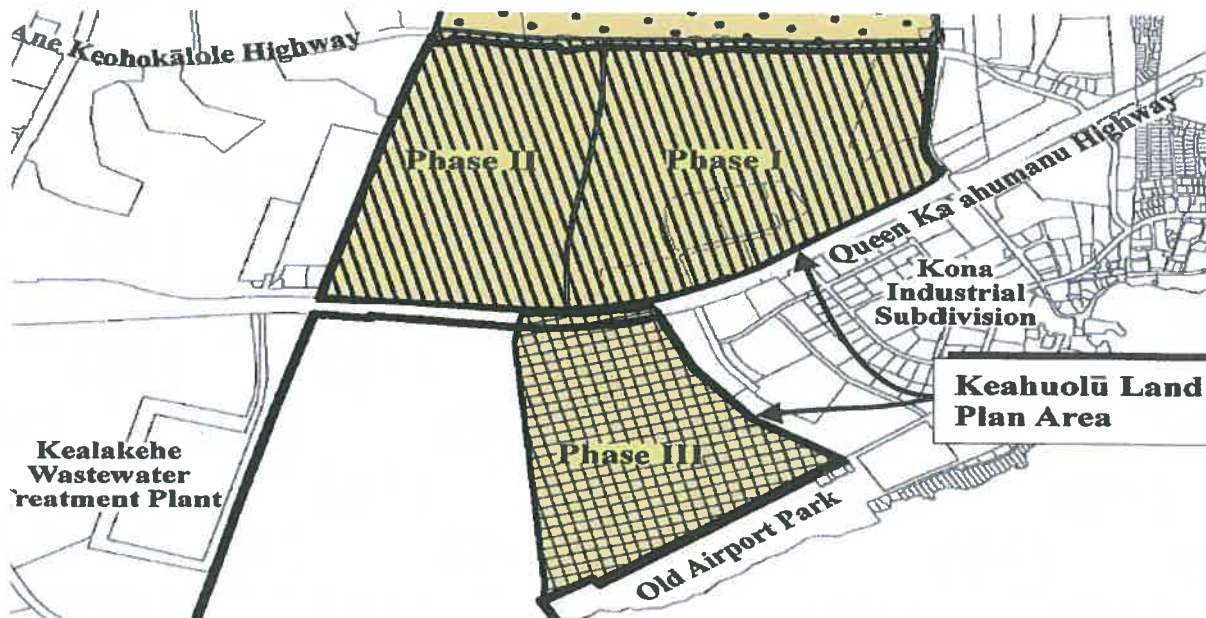
A. The Underlying Petition

Petitioner is a private operating foundation which provides benefits to orphans and destitute children of Hawaiian ancestry. On August 4, 1989, and by subsequent amendments on January 18, 31, and on February 5, 1991 (hereinafter collectively referred to as the "1991

Petition”), Petitioner petitioned the Commission to amend the land use district boundary to reclassify its land, at Keahuolū, Island, County and State of Hawaii, identified by Tax Map Key Nos. 7-4-08: por. 2 and 7-4-08: por. 12.

The purpose of the 1991 Petition was to reclassify Petitioner’s land from the State Agricultural and Conservation Districts to the State Urban District to permit the development of Petitioner’s Keahuolū Project (the “Project”). The Petition identified three phases of development for Petitioner’s Project. Phase I and Phase II consisted of 545.391 acres of Agricultural and Conservation land Mauka of Queen Ka`ahumanu Highway, previously identified as TMK No. 7-4-08: por. 12 in the 1991 Decision and Order, but now identified as TMK Nos. (3) 7-4-020:009, 010, 011, 012, 013, 014, 015, 022, and 028 (collectively “Phase I and II”). Phase III consisted of 212.333 acres of Agricultural land Makai of Queen Ka`ahumanu Highway, identified as TMK No. 7-4-08: por. 2 (“Phase III”).

Phase I and II and Phase III are shown in the image below:



At the time the 1991 Petition was filed, the Petitioner had envisioned developing leasehold commercial and retail properties on the Petition Area in three phases. Residential development was not a desired option for Petitioner at the time, and thus was not made part of the Project plans presented to the Commission in the 1991 Petition.

B. The 1991 Decision and Order

Upon hearing and review of the testimony and evidence submitted in support of the 1991 Petition, the Commission entered its Findings of Fact, Conclusions of Law, and Decision and Order on August 28, 1991 (“1991 Decision and Order”) in which it reclassified Phase I and II to the Urban District. In the 1991 Decision and Order, the Commission also ordered that Phase III be “incrementally reclassified”¹ for redistricting from the Agricultural District to the Urban District pending a showing that Petitioner has made substantial completion of Phase I and II of its Project. See 1991 Decision and Order attached hereto as Exhibit “3” at pg. 39.

The 1991 Decision and Order specifically states:

IT IS HEREBY FURTHER ORDERED that the portion of the Property designated “Phase IIP” (212 acres) in Petitioner’s Phasing Plan (Exhibit 18), representing a portion of the Property, consisting of approximately 212.333 acres in the Agricultural District, situated at Keahuolu, Island, County and State of Hawaii, Hawaii Tax Map Key No.: 7-4-08: por. 2, as approximately shown on Exhibit “A” attached hereto and incorporated herein by reference shall be and the same is hereby incrementally reclassified pursuant to Commission Rule 15-15-78, and that redistricting from the Agricultural District to the Urban District will be granted upon receipt of an application by

¹ “Incremental reclassification” is a designation that the Commission can impose upon a portion of the petition area if it appears to the Commission that full development of that area cannot be substantially completed within ten years after the date of the Commission’s approval for reclassification. When the Commission designates an area for incremental reclassification, the area remains in the same district classification it was in prior to the petition for district boundary amendment, and the classification for this area will only change upon satisfaction of any conditions imposed by the Commission for reclassification for that area. In this case, Phase III was incrementally reclassified. It remains in the Agricultural District pending substantial completion of Phase I and Phase II before it can be reclassified to the Urban District. Upon substantial completion of Phase I and Phase II, the Petitioner can apply for reclassification of Phase III to the Urban district.

Petitioner for redistricting of this second increment (Phase III) upon a prima facie showing that Petitioner has made substantial completion of first increment (Phase I and II).

1991 Decision and Order attached hereto as Exhibit “3” at pg. 39.

Despite its best efforts and due to changing market conditions, Petitioner has not been able to substantially complete development of Phase I and II of Petitioner’s Plan. During the years following the 1991 Decision and Order, the Makalapua Shopping Center was built in Phase I, and now houses Macys, Regal Cinemas and Kmart as tenants. Since then, however, the real estate market slowed and Petitioner’s original plans for development were no longer economically feasible. Discussions with other potential large commercial tenants fell through on account of the costs for off-site improvements for a larger commercial user. It was also discovered that the significant slopes on the Phase I and II parcels were better suited for smaller footprint uses such as residential development.

Because Phase I and II have not yet been substantially developed, Phase III remains in the Agricultural District subject to incremental reclassification to the Urban District under the 1991 Decision and Order.

Since the entry of the 1991 Decision and Order, the Petitioner has revised its land plan for its lands to better fit the needs of the community. The Petitioner recognizes the need in Kona for a broad range of mixed-housing choices that will appeal to different age groups and levels of affordability for the community. In response to this need, the Petitioner has developed a new land plan that will integrate such housing options within a new, more sustainable development plan than originally contemplated.

If this motion is granted, the Petitioner’s new land plan will be presented to the Commission for consideration and approval in a separate district boundary amendment

proceeding, which will allow the community and the Commission to address any concerns relating to the new land plan. This motion, here, is merely to remove Phase III from the 1991 Decision and Order so that a portion of the Phase III area may be made a part of the new district boundary amendment proceeding to be filed with this Commission at a later date.

C. QLT's Plans for Phase III If This Motion is Granted

1. An area comprised of less than 15 acres will be removed from Phase III and included in the adjacent proposed Makalapua Project District.

The proposed Makalapua Project District is a separate project to be developed by the Petitioner, which will be located north of the Kailua-Kona village core and Makai of the existing Kona Commons Shopping Center, in the State Land Use Urban District, and in an area designated as a Regional Commercial Center under the Kona Community Development Plan. The Makalapua Project District is planned for mixed use commercial, residential and hotel development, and will also include community facility and open space features.

If this Motion is granted, Petitioner intends to remove a small area comprised of less than 15 acres from Phase III, and will seek a district boundary amendment along with other necessary permits and entitlements from the County of Hawaii for reclassification of the less than 15 acres² from the Agricultural District to the Urban District so that Petitioner can incorporate this area into its plans for the adjacent proposed Makalapua Project District. The area referred to as "MPD Area" in Exhibit "4" attached hereto shows the general location of the area the Petitioner intends to include in the Makalapua Project District. The remaining portion of Phase III, less the MPD Area is hereinafter referred to as "Makai Land Plan Area".

² Hawaii Revised Statutes § 205-3.1(c) provides that district boundary amendments involving land areas of fifteen acres or less, except in conservation districts, shall be determined by the appropriate county land use decision-making authority. Chapter 28 of the Hawaii County Code permits the County Council, by ordinance, to amend the districting of lands fifteen acres or less located in the State land use urban, rural, and agricultural districts. The acres that will be removed from Phase III for inclusion in the Makalapua Project District is less than fifteen acres of Agricultural land.

2. A New Petition for District Boundary Amendment will be filed with this Commission

Petitioner also intends to file a new Petition for Land Use District Boundary Amendment (the “New Petition”) with this Commission for Petitioner’s new land plan. The area for the new land plan will include, among other lands, the Makai Land Plan Area.

The New Petition will be filed in a new docket before this Commission, and will allow the Commission an opportunity to review and consider the proposed uses in the Petitioner’s new land plan.

III. ARGUMENT

A. Applicable Rule

Hawaii Administrative Rules (“HAR”) § 15-15-94(b) provides in relevant part: “For good cause shown, the commission may act to . . . modify the commission’s order.” “If a petitioner, pursuant to this subsection, desires to have a . . . modification of the commission’s order, the petitioner shall file a motion in accordance with section 15-15-70. . . .” HAR § 15-15-94(a).

Upon a showing of good cause, the Commission is authorized under HAR Chapter 15-15 to modify the 1991 Decision and Order to remove a portion of the Petition Area from the 1991 Decision and Order subject to incremental districting.

The Commission in the past has granted a similar motion filed by a different petitioner. In the Matter of the Petition of McClean Honokohau Properties, Docket No. A89-643, the petitioner filed a Motion for Amendment to Findings of Fact, Conclusions of Law, and Decision and Order, to remove a portion of a petition area from incremental districting. See Matter of the Petition of McClean Honokohau Properties, Docket No. A89-643 (Order Granting Motion for

Amendment to Findings of Fact, Conclusions of Law, and Decision and Order dated August 22, 1995). The petitioner's development plans had changed since its initial petition, and through its motion it sought to remove a portion of the petition area from incremental districting to include it in a new petition for district boundary amendment to reclassify the land to the Urban district. The Commission, after reviewing the record and hearing no objections by the Office of State Planning and the County of Hawaii Planning Department, found that good cause was shown and accordingly granted the petitioner's motion to amend the decision and order to remove a portion of the petition area from incremental districting. Petitioner, here, likewise requests that the Commission grant this motion to remove the Makai Area, which is subject to incremental districting, from the 1991 Decision and Order.

B. The Need To Remove the Makai Area from the Docket and Petition Area Subject to the 1991 Decision and Order So That the Petitioner Can Include it in a New Petition for District Boundary Amendment For Its New Land Plan Is Good Cause for the Commission to Modify the 1991 Decision and Order.

The Petitioner's new land plan involves the development of multi-family and single-family homes in the Makai Land Plan Area. The Petitioner's land plan will include a system of streets, trails and bike paths that connect the Makai Land Plan Area with the existing Kona Commons Shopping Center and the wholly separate, but adjacent, mixed-use project identified as the Makalapua Project District. The development of the Makai Land Plan Area is a logical extension of the existing and proposed projects in the surrounding area.

Development of the Makai Land Plan Area in the early phases of Petitioner's development plan is critical in fulfilling Petitioner's vision for the Keahuolū community. It is also logical from a planning perspective as it will allow for connectivity to the existing development in the area and the anticipated Makalapua Project District. As such, it is necessary

for Petitioner to be able to develop the Makai Land Plan Area prior to fully developing Phase I and II.


Because Phase III has been incrementally approved for redistricting under the 1991 Decision and Order, Petitioner is currently unable to develop the Makai Land Plan Area or the MPD Area until it substantially completes development on Phase I and II. The need to remove Phase III from the 1991 Decision and Order in order for the Petitioner to complete its vision for Keahuolū establishes good cause for the Commission to modify the 1991 Decision and Order.

In order to proceed with its new land plan, Petitioner requests that the Commission order that Phase III be removed from the Petition Area. This will allow Petitioner to: (1) request a district boundary amendment from the County of Hawaii and obtain other necessary County entitlements and permits for the MPD Area shown in Exhibit "4", and (2) include the Makai Land Plan Area in a new petition for district boundary amendment the Petitioner intends to file with the Commission in a separate docket at a later time.

IV. CONCLUSION

For the foregoing reasons, Petitioner respectfully requests that the Commission grant this Motion to Modify Findings of Fact, Conclusions of Law and Decision and Order Filed August 28, 1991, and order that the Phase III, consisting of 212.333 acres of Agricultural Land be removed from the docket and the Petition Area that is subject to the 1991 Decision and Order.

DATED: Honolulu, Hawaii, August 14, 2015.



BENJAMIN A. KUDO
CONNIE C. CHOW
Attorneys for Petitioner
QUEEN LILI'UOKALANI TRUST

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of

QUEEN LILI‘UOKALANI TRUST

To Amend the Agricultural District Boundary into the Urban District for approximately 919.366 acres and to Amend the Conservation District Boundary into the Urban District for approximately 188.358 acres, at Keahuolū, Island, County and State of Hawaii, Hawaii Tax Map Key Nos. (3) 7-4-08: por. 2, por. 12

DOCKET NO. A89-646

AFFIDAVIT OF LEEANN CRABBE

AFFIDAVIT OF LEEANN CRABBE

STATE OF HAWAII

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)

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SS.

COUNTY OF HONOLULU

LEEANN CRABBE, being first duly sworn on oath, deposes and says:

1. I am employed by the Petitioner Queen Lili‘uokalani Trust (“Petitioner”) as one of its Vice Presidents.

2. My duties as Vice President for the Petitioner include overseeing all development activities on the Petitioner’s lands. As Vice President, I have been given care, custody and control over the records and files of the Petitioner, which are kept in the Petitioner’s ordinary course of business.

3. The lands that are the subject matter of this docket are Petitioner’s lands.

4. I submit this affidavit in support of Petitioner’s Motion for Order Modifying the Findings of Fact, Conclusions of Law, and Decision and Order filed August 28, 1991 (the “Motion”).

5. On August 28, 1991, the Land Use Commission of the State of Hawaii (the “Commission”) entered its Findings of Fact, Conclusions of Law, and Decision and Order (the “1991 Decision and Order”) in Docket No. A89-646.

6. Pursuant to the 1991 Decision and Order, the Commission ordered, among other things, that the portion of the Property designated “Phase III” in the Petitioner’s Phasing Plan be incrementally reclassified for redistricting from the Agricultural District to the Urban District upon a showing that Petitioner has made substantial completion of Phase I and Phase II of its Project.

7. At the time the 1991 Decision and Order was entered, Petitioner’s land plan contemplated substantial development of Phase I and Phase II before commencing development upon Phase III of the Project.

8. The Petitioner has since revised its land plan.

9. Under its new land plan, the Petitioner plans to commence development upon a portion of the area identified as Phase III (also referred to as the Makai Land Plan Area in the Motion) before it substantially completes development of the areas identified as Phase I and Phase II.

10. If the Commission grants this motion and orders the removal of Phase III from this docket, the Petitioner intends to file a new Petition for Land Use District Boundary Amendment in a separate docket, which will include the land identified as Phase III of the Project in the petition area, less an area that will be less than 15 acres that will be removed and included in the district boundary amendment application with the County of Hawaii.

11. In order to complete its new land plan, Petitioner will need Phase III of the Project to be removed from the Petition Area subject to the 1991 Decision and Order entered in this docket.

12. Attached hereto as Exhibit "1" is a graphic prepared by Petitioner showing the area that is the subject matter of the Motion. The subject area is referred to in this graphic as Phase III (Incremental District).

13. Attached hereto as Exhibit "2" is Boundary Interpretation No. 12-05, which shows the metes and bounds for Phase III.

14. Attached hereto as Exhibit "3" is a true and correct copy of the Findings of Fact, Conclusions of Law, and Decision and Order entered on August 28, 1991 in Docket No. A89-646 before the Land Use Commission of the State of Hawaii.

15. Attached as Exhibit "4" is a graphic prepared by Petitioner showing the approximate location of the area that the Petitioner will remove from Phase III, which will be included in a district boundary amendment application to be filed with the County of Hawaii. The area to be removed from Phase III is identified as the "MPD Area".

FURTHER AFFIANT SAITH NAUGHT

Executed: Honolulu, Hawaii, August 13, 2015.



LEEANN CRABBE

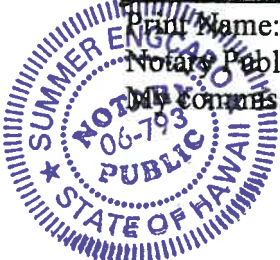
Subscribed and sworn to before me
this 13th day of August, 2015.



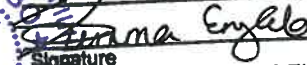
Print Name: Summer Engcabo

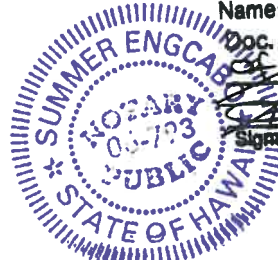
Notary Public, State of Hawaii

My commission expires: December 31, 2018

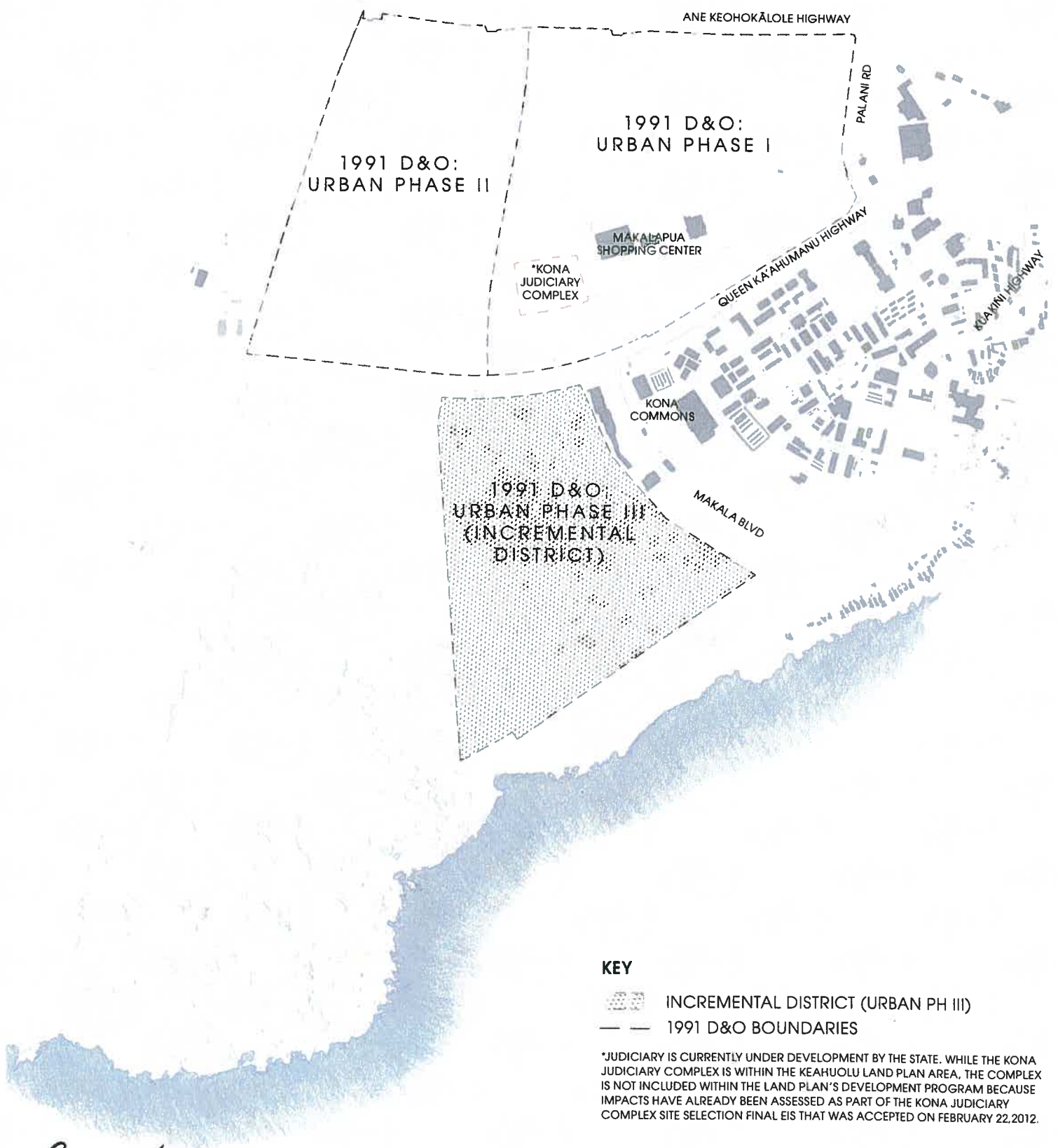


L.S

Doc. Date: 08/13/2015 # Pages: 17
Name: Summer Engcabo 1st Circuit
Doc. Description: Affidavit
LeeAnn Crabbe

Signature Date
NOTARY CERTIFICATION



L.S



Keahuolu
 KAILUA-KONA HAWAII
 QUEEN LILI'UOKALANI TRUST

MITHŪN

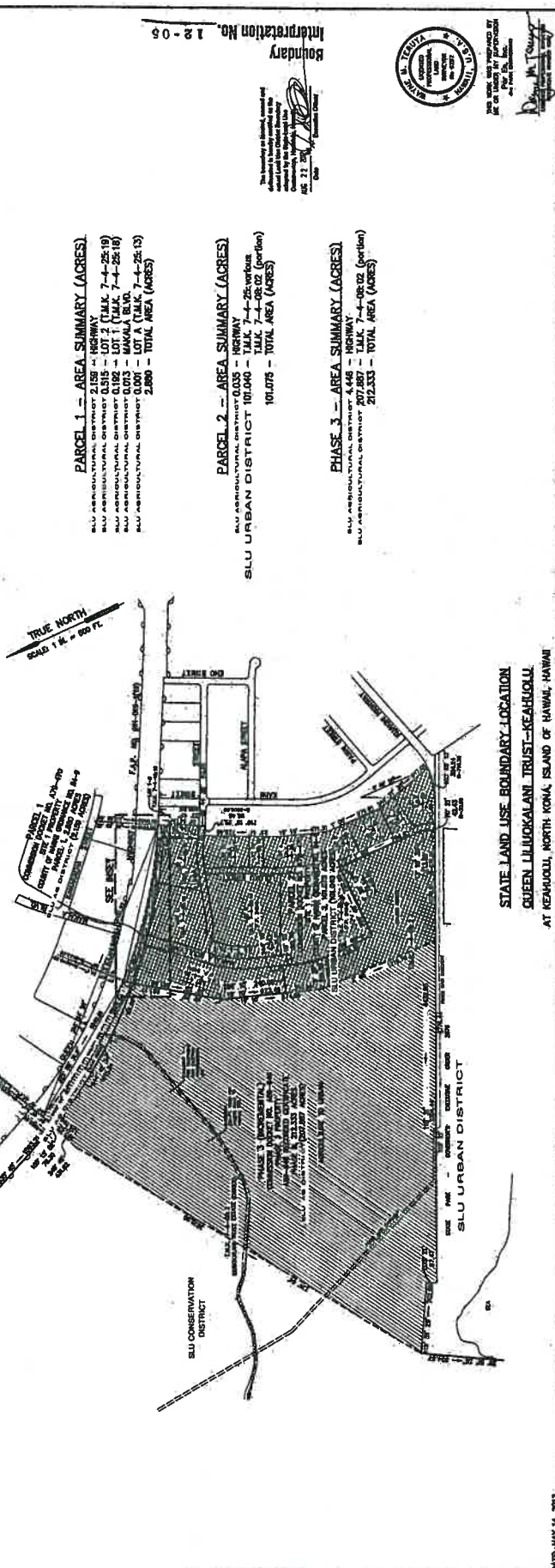
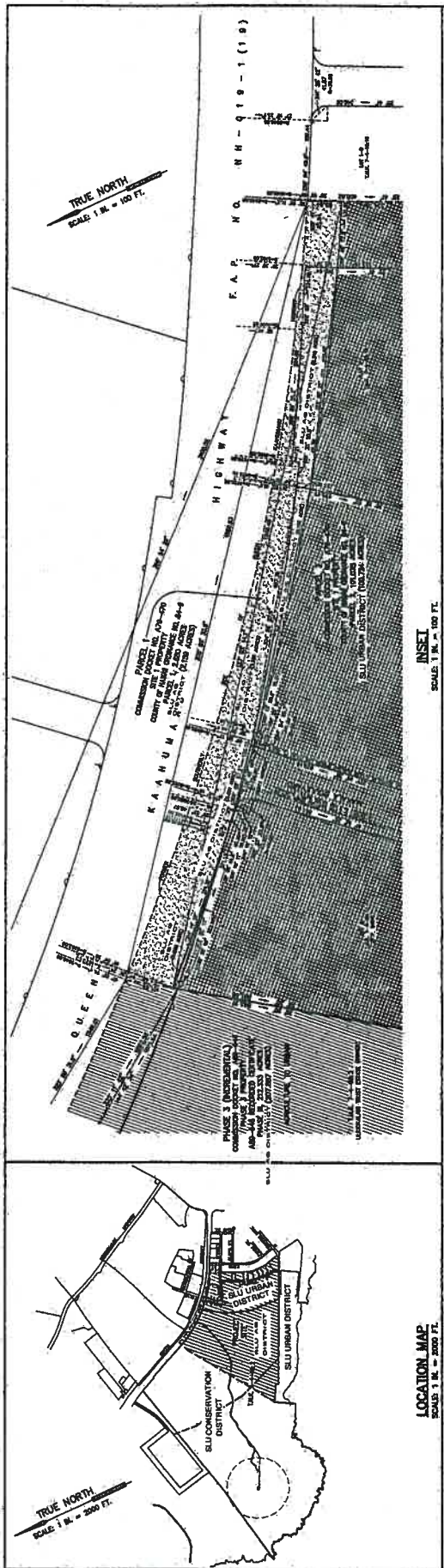


Exhibit 2

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)
LILIUOKALANI TRUST)
To Amend the Agricultural)
District Boundary into the)
Urban District for approximately)
919.366 acres and to Amend the)
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into the Urban District for)
approximately 188.358 acres,)
at Keahuolu, Island, County)
and State of Hawaii, Hawaii)
Tax Map Key Nos. 7-4-08:)
por. 2, por. 12)
_____)

DOCKET NO. A89-646
LILIUOKALANI TRUST

Aug 28 7 34 AM '91
LAND USE COMMISSION
STATE OF HAWAII

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

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)	DOCKET NO. A89-646
LILIUOKALANI TRUST)	LILIUOKALANI TRUST
To Amend the Agricultural)	
District Boundary into the)	
Urban District for approximately)	
919.366 acres and to Amend the)	
Conservation District Boundary)	
into the Urban District for)	
approximately 188.358 acres,)	
at Keahuolu, Island, County)	
and State of Hawaii, Hawaii)	
Tax Map Key Nos. 7-4-08:)	
por. 2, por. 12)	
_____)	

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

LILIUOKALANI TRUST, a private operating, non-profit organization (hereinafter "Petitioner"), filed a Petition on August 4, 1989, and subsequent Amendments on January 18, 31, and on February 5, 1991 (hereinafter collectively referred to as "Petition") pursuant to Chapter 205, of the Hawaii Revised Statutes, as amended ("HRS"), 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 1,107.724 acres of land, at Keahuolu, Island, County and State of Hawaii, identified by Tax Map Key Nos. 7-4-08: por. 2 and 7-4-08: por. 12 (hereinafter "Property") from the Agricultural and Conservation Districts 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 hearing, and the Stipulated Proposed Findings of Fact, Conclusions of Law, and Decision and Order, of the Petitioner, Office of State of State Planning, and the County of Hawaii, and Intervenor's Proposed Findings of Fact, Conclusions of Law, Decision and Order, hereby makes the following findings of fact:

FINDINGS OF FACT

PROCEDURAL MATTERS

1. Petitioner filed a Petition for District Boundary Amendment on August 4, 1989, a First Amendment to Petition on January 18, 1991, a Second Amendment to Petition on January 31, 1991, and a Third Amendment to Petition on February 5, 1991.

2. A prehearing conference was conducted on January 18, 1991 on the Ninth Floor, Kamamalu Building, 250 S. King Street, Honolulu, Hawaii.

3. The Commission held a public hearing on the Petition, as amended, at the Kona Surf Resort and Country Club, Kamehameha Ballroom, in Kailua-Kona, Hawaii, on February 8, 1991. The hearing was held pursuant to notices published in the Hawaii Tribune Herald and the Honolulu Advertiser on December 27, 1990.

4. The Commission held a further public hearing on the Petition, as amended, at the Royal Waikoloan Hotel, Ekolu Room, in Kailua-Kona, Hawaii, on April 11 and 12, 1991.

5. The Commission held a further public hearing on the Petition, as amended, at the Kona Surf Resort and Country Club, Kamehameha Ballrooms, in Kailua-Kona, Hawaii, on June 27 and 28, 1991.

6. On January 15, 1991 an untimely Application for Intervention was filed by the Greater Kona Community Council (hereinafter "GKCC") and Joseph Dettling.

7. On February 8, 1991, the Application for Intervention of Joseph Dettling was withdrawn and the petition for intervention was granted to GKCC. The Order granting intervention was issued on February 21, 1991.

8. On February 13, 1991 and February 28, 1991, the Commission received letters from Elizabeth Ann Stone requesting intervention. On April 11, 1991, the Commission denied the request for intervention by Elizabeth Ann Stone.

9. The Commission received written statements from Elizabeth Ann Stone, Rose Fujimori, Joanna Gaspar, Mr. and Mrs. Lloyd Soehren, and Bruce Anderson. These statements were received into evidence without objection on February 8, 1991.

10. The Commission received untimely written statements from Lawrence Farden, Mark F. Rosehill, and Jacqueline Hill. These statements were received into evidence on February 8, 1991 without objection.

11. The Commission received a letter from Brad Hauser of the Kona Outdoor Circle on February 26, 1991. This letter was received into evidence without objection on April 11, 1991.

12. On June 27, 1991 the Commission granted the Intervenor leave to file the written testimony of Virginia Isbell. There was no objection.

13. Intervenor have not taken or expressed a position, either in support or in opposition, to the Petition.

14. On June 28, 1991 the Commission accepted into evidence the handwritten note of Elizabeth Ann Stone.

15. The Commission received requests from Tony Hanely, James Schleiger, Marty Herques, Warren Chong, Hae Kamakau, Irma Chillingworth, Amy Freitas, Lei Collins, Buddy Farden, Irma Farden, Leon Sterling, Fannie Auhoy, Mehela Rosehill, Rose Fujimori, Ted Lindstrom, Jim Greenwell, Thomas Lincoln Leslie, Jr., and Bill Kawahara to be public witnesses and the requests were granted without objection on February 8, 1991.

16. The Commission received a request from Puna Kihoi to be a public witness and the request was granted without objection on April 11, 1991.

17. By Order issued on September 13, 1989, the Commission required Petitioner to prepare an Environmental Impact Statement (hereafter "EIS"), pursuant to Chapter 343, HRS, for the proposed development of the Property. A final EIS was submitted to the Commission on October 19, 1990. By Order issued on December 11, 1990, the Commission accepted the final EIS pursuant to Chapter 343, HRS, and Chapter 200 of Title 11, Hawaii Administrative Rules.

DESCRIPTION OF THE PROPERTY

18. The Property is situated immediately north and mauka of Kailua-Kona, County of Hawaii, State of Hawaii and is identified by Tax Map Key Nos. 7-4-08: por. 2 and 7-4-08:

por. 12. The Property is bordered by Palani Road and the existing Kona Industrial area to the south, Queen Liliuokalani Village to the east, the ahupua'a of Kealakehe to the north, and the Old Kona Airport State and County Park to the west.

19. The Property consists of two noncontiguous parcels separated by the Queen Kaahumanu Highway. The mauka parcel consists of approximately 895.391 acres, of which approximately 188.358 acres are currently within the Conservation District and approximately 707.033 acres are currently within the Agricultural District. The makai parcel consists of approximately 212.333 acres currently within the Agricultural District.

20. The Property consists primarily of vacant slopes with ground cover and lower field vegetation types. None of the Property is improved except for a portion of the makai parcel which the Kona Children's Center presently occupies.

21. The Property is owned in fee simple by the Petitioner, Liliuokalani Trust. The Liliuokalani Trust was created in 1909 by Queen Liliuokalani, the last reigning monarch of the Kingdom of Hawaii, and the Trust is the owner of the 3,980 acre ahupua'a of Keahuolu, within which the subject Property is situated.

22. Petitioner is a non-profit, private operating foundation which provides benefits to orphans of Hawaiian ancestry.

23. The Federal Aviation Administration is the Grantee of certain easements on the Property and by letter of authorization dated February 11, 1991, the Federal Aviation Administration authorized Petitioner to submit the Petition to the Commission for reclassification of the Property.

24. The topography of the area is gently sloping (0 - 5%) from the old Kona Airport Park to Queen Kaahumanu Highway. From the highway, the elevation rises gradually to a height of approximately 780 feet above sea level at Palani Road. The slope of the mauka portion of the Property ranges from 5 to 10% with the average slope about 6.5%. The climate of the area is generally mild with a mean annual temperature of 75 degrees (fahrenheit). The average annual rainfall for the area ranges between 20 and 40 inches a year, extending from the coastline to Queen Liliuokalani Village, respectively. Frequency of rainfall is related to elevation; the upper slopes of Hualalai are prone to higher incidence of rainfall than the coastal areas. Winds are generally light to moderate.

25. Four soil types, described below, have been identified on the Property by the U.S. Department of Agriculture Soil Conservation Service (SCS) (December, 1973) in a comprehensive soil survey of the Island of Hawaii: (1) A'a Lava Flows (rLV), which have practically no soil cover and is

generally bare of vegetation except for mosses, lichens, ferns and a few small ohia trees; (2) Pahoehoe Lava Flows (RLW), which are similar to the A'a flows and have no soil cover and is typically bare of vegetation except for mosses and lichens; (3) Punaluu extremely rocky peat (rPYD), which is found on the lower leeward side of Mauna Loa, the surface layer is black peat about 4 inches thick and underlain by pahoehoe lava bedrock; and (4) Kaimu (rKED), which is found on the lower slopes of Mauna Loa with the surface layer being very dark brown extremely stony peat and about 3 inches thick. None of the four soil types are particularly agriculturally significant.

26. The Detailed Land Classification of the Island of Hawaii (University of Hawaii, Land Study Bureau, 1972) classifies the soils of the Property as "E" or very poorly suited for agricultural productivity.

27. The Agricultural Lands of Importance to the State of Hawaii (ALISH) system has designated all but approximately 30 acres as "unclassified" meaning that it is not considered "prime", "unique", or "other important agricultural land." Approximately 30 acres located at the upper elevations of the Property just makai of Palani Road, have been classified as "Other Important Agricultural Land".

28. The Property may be potentially impacted by three principal natural hazards; seismic activity, lava flow inundation, and tsunami and storm wave inundation. Seismic activity is relatively common in most areas on the Island of

Hawaii and may be mitigated by various engineering and building methods. The potential for lava flow inundation of the area associated with Hualalai is considered to be slight. The latest historical eruption of Hualalai occurred in 1801 resulting in a lava flow which reached the sea in the Keahole area. A tsunami inundation area has been determined for the shoreline area and includes a small portion of the Property immediately mauka of the Old Kona Airport. It is estimated that the height of a tsunami with a recurrence interval of 100 years is approximately 16.5 feet above mean sea level at the shoreline. This height would generally impact portions of the Property within approximately 800 feet of the shoreline.

29. There are no known flood zones or floodways associated with the project area, thus flooding does not pose a hazard.

30. The Property has minimal susceptibility to natural hazards and the proposed development will have no impact on the occurrence of such hazards.

PROPOSAL FOR RECLASSIFICATION

31. The Petitioner proposes to develop the Property to provide the following:

a. an urban activity center (downtown) for West Hawaii providing a focus for regional-serving land uses including a centralized business and financial plaza, and retail and commercial office space;

b. a government center or civic plaza to accommodate County, State and Federal offices, including the executive, judicial, and legislative branches of government, as well as cultural facilities including an auditorium or theater, museum, and similar uses.

c. a regional shopping center to serve both the resident and visitor populations of the region;

d. a professional center to meet the projected increase in demand for professional service office space including but not limited to the health and legal professions;

e. a region-serving hospital;

f. a business park and light industrial center to facilitate the relocation and separation of existing industrial and commercial activities;

g. a business-serving hotel complex including a conference center and exhibition hall to meet the needs of the region's residents and visitors;

h. a college campus for West Hawaii to accommodate a community college or university extension and a regional sports facility;

i. a historic preserve intended to preserve existing archaeological sites.

In addition, the State of Hawaii is in the process of acquiring 350 acres of the mauka portion of the Property between Palani Road and the proposed mid-level road. The acquisition is part of a larger purchase which in total

encompasses 450 acres of the Petitioner's Property. The State's original plans for the 350 acres within the Property and the additional 100 acres outside the Property included the development of a University of Hawaii Campus, affordable and market priced residential homes, neighborhood commercial areas, regional sports complex and recreational areas.

32. The Office of State Planning (OSP) indicated at the April 12, 1991 hearing that the State was not certain as to when it would be able to develop the lands it will acquire from the Petitioner and therefore recommended to the Commission that reclassification of the mauka 350 acres of the Property, which is to be sold to the State, be denied.

33. Petitioner intends to develop the remaining portions of the Property in three phases (hereinafter "Project"), as shown on the Petitioner's phasing map, Exhibit 18. The first phase of the Project shall include as its major components the construction of a regional shopping center, portions of the mid-level roadway and mauka-makai roadway bordering the shopping center site, a regional hospital, professional plaza, and commercial and business centers. The first phase is comprised of approximately 315 acres.

34. The second phase of the Project will include development of the other facilities within the urban expansion area adjacent to the Kealakehe project. The second phase consists of 231 acres. Some development within Phase II may be

affected by the problems currently being experienced at the Kealakehe Landfill. Development of all of the infrastructure and major land uses in both the first and second phases is estimated to be substantially completed within ten years.

35. The third phase of the Project will involve the development of the business expansion area makai of Queen Kaahumanu Highway. Phase three is comprised of 212.333 acres. Petitioner estimates that at the end of ten years there will be some infrastructure in progress in phase three.

36. Full build out of all phases of the Project is projected in 20 or more years, depending upon market demand and the timely participation of government in the funding and construction of public facilities and services.

37. The total cost of the off-site infrastructure for the proposed Project is approximately \$130 million. This cost figure does not reflect survey, design, master planning, land and other non-construction related costs. Costs are based on 1990 constant dollars.

38. Following reclassification by the Commission, Petitioner will be required to obtain county zoning, Special Management Area, subdivision, building and grading permits and approvals. From the time final County zoning approval is obtained, Petitioner estimates that it will take approximately 10 years to complete the infrastructure and substantial development of phases one and two of the Project.

PETITIONER'S FINANCIAL CAPABILITY
TO UNDERTAKE THE PROPOSED DEVELOPMENT

39. Petitioner's financial statements as of December 31, 1988, reflect total net assets of \$21,961,715, and net revenues of \$7,698,065. Petitioner's land holdings in the State of Hawaii have an approximate appraised value of \$114 million. Petitioner intends to have private developers finance and construct the proposed Project.

STATE AND COUNTY PLANS AND PROGRAMS

40. The Property is located within the State Land Use Agricultural District and Conservation District as reflected on the State Land Use District Maps (H-2 Keahole Point and H-7 Kailua), County of Hawaii.

41. The Hawaii County General Plan Land Use Pattern Allocation Guide Map (LUPAG) identifies the Property as Urban Expansion with a portion near the intersection of Palani Road and Queen Kaahumanu Highway as High Density Urban, a portion makai of the Queen Liliuokalani Village as Low Density Urban, and an area mauka of the Queen Kaahumanu Highway as Industrial and Open along both sides of Queen Kaahumanu Highway.

42. The Property includes two zoning classifications: the area classified in the State Land Use Agricultural district is zoned Unplanned; and the area classified in the State Land Use Conservation district is zoned Open.

43. The entire portion of the Property makai of the Queen Kaahumanu Highway is contained within the County's Special Management Area (SMA) district.

NEED FOR THE PROPOSED DEVELOPMENT

44. Petitioner's marketing consultant, Natelson Lavender Whitney, Inc. prepared a market study dated November 19, 1989 for the proposed development of the Property. The study concluded that there is a strong demand for the proposed uses of the Property.

45. According to the market assessment, by the year 2020, the number of residents in North Kona will quadruple (in West Hawaii, the number of residents will increase by three and one-half times); the number of visitors are also projected to increase by similar proportions. The projected demand for retail goods is expected to increase five-fold from \$162.6 million in 1988 to \$943.7 in year 2020.

46. Petitioner's market consultant indicated that by the year 2020 the West Hawaii region will require an additional 2.74 million square feet in commercial retail space, 1.3 million in additional office space, ten to fifteen acres per year of light industrial space, and approximately 5,000 hotel units.

47. According to the Petitioner's market consultant, the proposed development of the Property has excellent potential for long-term development of major commercial, business, and institutional facilities to capture some of the

predicted demand. The properties are ideally located in close proximity to major sources of demand such as the Kona central business district and the State's proposed Kealahou Project.

48. Petitioner's market consultant indicated that the proposed development of the Property could absorb and utilize the projected demand over the next ten years for phases one and two. The proposed development of the Property is believed to be economically viable.

ECONOMIC IMPACTS

Impacts on Employment

49. Petitioner projects that employment opportunities will be made available by the development of the Property. The development of the Property will initially produce approximately 8,600 design and construction jobs in the first fifteen years. At the end of 15 years it is estimated that over 2,700 operational, on-site jobs will be created. Operation employee income on an annual basis at full buildout is forecasted to be approximately \$106 million in direct wages.

50. It is estimated that the development of the Property will generate an average direct sales and rental income of about \$3,582,000 per year, in constant 1990 dollars.

51. It is estimated that an additional 540 jobs will be indirectly created in addition to the 2,240 jobs directly created by the commercial enterprises. An additional 200 jobs will be indirectly created by the 240 direct jobs generated by the planned business hotel.

Impacts on State or County Revenues

52. Petitioner's consultant Bay K. C. Yee & Company prepared a Public Revenue - Cost and Economic Impact Analysis for the proposed development of the Property in March 1990. The report concludes that the proposed development of the Property will yield cumulative discounted public revenues totalling \$382.5 million in constant 1990 dollars. The cumulative discounted public costs are estimated to be \$39.4 million in constant 1990 dollars. This represents a favorable revenue-cost ratio of 9.7 to 1.0. The unusually high revenue/cost ratio for the proposed development of the Property is attributable to the proposed mix of commercial and business economic activities that tend to generate large tax revenues and require little public support.

SOCIAL IMPACTS

53. Petitioner's consultant, Community Resources, Inc., prepared a Socio-Economic Impact Analysis of the proposed development of the Property in December 1989. The analysis concludes that the proposed development of the Property will have the following socio-economic impacts on the region:

(1) the proposed development of the Property will complement present services and facilities found in Kailua town, thereby assisting in maintaining the vitality of Kailua; (2) the development of the Property will also provide the opportunity to locate more government services in a single place; (3) by concentrating services for residents on the Property, the

residents and visitors will be encouraged to patronize separate areas; (4) the centralization of functions at one site will make the need to solve the local infrastructural problems more acute.

IMPACTS UPON RESOURCES IN THE AREA

Agricultural Resources

54. The Property is not suited for agricultural uses and is not in current agricultural production. The urbanization of the Property will have little or no impact on the agricultural resources in the area.

Flora and Fauna

55. Petitioner's consultant, Char & Associates, prepared a botanical survey of the Property dated May 1989. According to the botanical survey, introduced or alien species dominate much of the vegetation on the Property. Scrub vegetation composed of fountaingrass with scattered kiawe trees and shrubs cover all of the makai parcel and a portion of the mauka parcel. Kiawe forest with dense fountaingrass ground cover occupies the majority of the mauka parcel. Only in the Canthium/Christmas berry shrubland at the mauka-most end of the Property do native plant species become significant components of the vegetation community.

56. None of the native plants found on the Property are officially listed, proposed, or are candidates for being listed as threatened or endangered plants. However, the botanical survey states that future development of lowland

habitats may cause these lowland populations to become uncommon. The botanical consultant recommends consideration of native plants for landscaping.

57. Petitioner's consultant, Phillip L. Bruner, prepared a study on the terrestrial fauna of the Property dated July 7, 1989. No native birds or seabirds were found and no endangered species were observed. The present habitat is utilized by the typical array of introduced species of birds associated with this type of environment. Development of the Property, by creating a more urban environment, will increase the abundance of mynah birds and house sparrows and cause a decline in game birds. No restrictions, impediments or conditions to the Property were recommended.

Archaeological/Historical Resources

58. Petitioner's consultant, Paul H. Rosendahl, Ph.D., Inc. prepared an archaeological inventory survey of the Property dated August 1990. The survey identified a total of 239 sites consisting of 2,810+ component features on the Property. Features representing agriculture, habitation, burial, transportation, aquaculture, and possible ceremonial activities are present. Within the Property are four distinct clusters of sites. These occur at the northwestern end of the Property between 9 and 20 feet above mean sea level; along the east side of Queen Kaahumanu Highway, between 50 and 150 feet above mean sea level; along the north side of Palani Road, between 200 and 400 feet above mean sea level; and at the

eastern end of the Property, between 450 and 600 feet above mean sea level.

59. The survey indicates that 32 of the 239 sites are considered to be significant. One site (12281), a shrine, has been determined to have high cultural value and has been recommended for preservation "as is". Eight sites include features which potentially contain human interment. The archaeological consultant has assessed these sites as being significant and having provisional cultural value, as well as high interpretive and information values. Twenty-three sites, the majority of which are habitation/agriculture complexes, are located within a distinct concentration at the northern end of the Kuakini Wall, along Palani Road.

60. The remaining 207 of the 239 sites identified in the survey have been assessed by the archaeological consultant as significant solely for their information content. No further work is recommended for 84 of the 207 sites. Further data collection is recommended for the remaining 123 of the 207 sites.

61. Petitioner intends to establish an "Historic Reserve" for a distinct concentration of significant sites at the northern end of Kuakini Wall along Palani Road. As a group these sites exhibit a high cultural value, which cannot be attributed to them on an individual basis.

62. Petitioner's consultant indicated that further work and study will be done to formulate a complete mitigation

plan, including a burial treatment plan, a site preservation plan, and a monitoring element during the course of actual construction. The State Department of Land and Natural Resources Historic Preservation Division reviewed the consultant's work and agreed with the proposed further site treatment. Petitioner has indicated that it will continue to work with the State on the mitigation plan.

Ground Water Resources

63. The proposed development of the Property will require approximately 2.88 million gallons of water daily (mgd) to satisfy residential and non-residential demand. Water will be provided from a series of three wells to be located on Petitioner's land above the 1,600-foot elevation along Mamalahoa Highway. Petitioner will coordinate the specific location of the wells with the Division of Water Resources Management, State Department of Land and Natural Resources (DLNR), and the County Department of Water Supply. Joint development of the potable water resources with neighboring landowners will provide additional water needed to satisfy the maximum daily demand generated by the development of the Property.

Recreational, Scenic, Cultural Resources

64. Petitioner does not anticipate that the proposed development of the Property will have significant adverse impact upon the recreational, scenic and cultural resources of the area. The development of the Property is planned to be low

density in nature, with low rise buildings, breezeways, and ample open space. The character of the proposed development of the Property is intended to reinforce the existing character of Kailua.

65. Petitioner proposes such mitigative measures as compliance with all County ordinances regulating building heights bulk and setback and such additional aesthetic requirements as the County may require.

Coastal Aquatic Resources

66. Petitioner does not anticipate that the proposed development of the Property will have significant adverse impact upon the coastal/aquatic resources of the area. However, the Office of State Planning is concerned about protecting the quality of the groundwater and the nearshore waters.

Petitioner proposes to mitigate potential adverse impacts to the groundwater resources, hydrological characteristics, surface water and drainage of the Property through the design and construction of a drainage infrastructure system that is in full compliance with County and State standards; the use of slow, time release or rapid uptake fertilizers; and the use of U.S. Environmental Protection Agency and State Department of Health approved biocides applied by or under the direction of State-certified applicators.

In addition, grease and oil traps will be located at designated points. Their contents will be disposed of in accordance with Environmental Protection Agency rules and procedures.

ENVIRONMENTAL QUALITY

Noise

67. Petitioner's consultant, Y. Ebisu & Associates, prepared a study on the noise impacts of the Property dated June 1990. According to the noise study, existing traffic noise levels are generally in the "moderate exposure, acceptable category". Between 1990 and year 2010, non-development traffic noise levels along the Queen Kaahumanu Highway and Palani Road are expected to increase by 3.5 to 7.4 ldn (day-night sound level). The amount of noise added by development traffic is less than 1.0 ldn.

68. Noise levels in the "significant exposure, normally unacceptable" category at 100-foot distances from roadway centerlines can be expected for the Queen Kaahumanu Highway, Palani Road, mid-level road, and portion of the Liliuokalani Boulevard.

69. Standard mitigation measures include setbacks, berms, barriers, and air conditioning. The overall mitigation plan should also involve proper siting of buildings. Petitioner's consultant did not anticipate any noise impact in or around the Property which could not be properly mitigated.

Air Quality

70. Petitioner's consultant, B. D. Neal & Associates, prepared a study on the air quality impacts from the development of the Property dated August 1990. The study concluded that short-term impacts on air quality consisted of fugitive dust and heavy equipment emissions during the construction period. It was recommended that dust control be accomplished through frequent watering of unpaved roads and areas of exposed soil and windscreens be used depending upon wind volume. It was also recommended that heavy construction equipment be moved during periods of low traffic volume.

71. The air quality study also concluded that the primary long-term impact was that of increased traffic emissions. Using a worse case scenario, State of Hawaii ambient air quality standards for carbon monoxide may be exceeded, either with or without the development of the Property, because of expected increases in traffic volumes, in the year 2010 near high-volume traffic locations. The air quality analysis under three different roadway improvement scenarios that would be implemented with the proposed development of the Property indicate that for all scenarios the estimated worst case carbon monoxide concentrations would be well within the National Ambient Air Quality Standards. The recommended mitigation measures for traffic emissions are to improve roadways and reduce traffic.

72. Natural sources of air pollution emissions which could affect the Property include the ocean, plants, wind-blown dust and volcanic activity. These potential emissions do not represent significant impacts.

73. The proposed development on the Property is also impacted by indirect sources of industrial pollution including emissions from the Keahole Power Plant and the Kealakehe Landfill. Petitioner's consultant studied the emissions from the Kealakehe Landfill in association with the Kealakehe planned community adjacent to the Property. Petitioner's consultant indicated that the Property is up-wind from the Kealakehe Landfill and that the prevailing wind patterns move emissions generated by the landfill away from the Property. Petitioner's consultant recommended that a 1,300 foot buffer zone be maintained between the Kealakehe Landfill and the proposed development of the Property until the emissions from the Landfill are abated.

Water Quality

74. Petitioner proposes to mitigate any potential impacts to the groundwater resources, hydrological characteristics, surface water and drainage of the proposed development through the design and construction of a drainage system that is in full compliance with all applicable County and State standards and through the proper use of fertilizers and biocides on landscaped areas.

ADEQUACY OF PUBLIC SERVICES AND FACILITIES

Highway and Roadway Services and Facilities

75. Petitioner's consultant, Wilbur Smith Associates, prepared a report dated August 1990, analyzing the traffic impacts both with and without the proposed development of the Property in the year 2010 and the adequacy of the planned roadway system. The forecast year of 2010 was used because this is the current horizon year for the planning of the County of Hawaii's transportation needs.

76. The traffic impact report concluded that because of the significant population growth anticipated in the North Kona area over the next 20 years, the traffic in the area would increase by approximately 200 percent even if the proposed project development of the Property did not occur. The existing roadways will not be able to handle this increase in traffic, even if the development of the Property did not occur.

77. In order to accommodate this increase in traffic, the State and County are planning to discuss with developers a number of highway improvements which may include the widening of Queen Kaahumanu Highway, the widening and relocation of Palani Road, the construction of a new mid-level roadway through the Property, the extension and widening of Kealakehe Parkway to Mamalahoa Highway, frontage roads along Queen Kaahumanu Highway, and an interchange at Kealakehe Parkway and Queen Kaahumanu Highway. These planned improvements would accommodate the large increase in traffic expected to occur.

78. The traffic report further concluded that the proposed development of the Property would increase traffic by another 15-20 percent.

79. The proposed roadway improvements within the Property would provide alternate routes to Palani Road and Queen Kaahumanu Highway and would improve the traffic circulation in the area by diverting traffic.

80. The State Department of Transportation provided the following comments:

"1. The proposal for an interchange at Liliuokalani Boulevard and Queen Kaahumanu Highway must be coordinated with DOT's plans for Queen Kaahumanu Highway and other interchanges (e.g., Kealakehe Parkway, and Palani Road) to ensure that freeway movements are not adversely affected.

"2. Highway improvements needed as a result of the proposed project should be funded by the developer. These improvements include:

- a. Liliuokalani Boulevard/Queen Kaahumanu Highway interchange (if approved);
- b. Frontage roads adjacent to the development;
- c. Widening and/or realignment of Palani Road adjacent to the development and interchange (if approved);
- d. Widening of Queen Kaahumanu Highway adjacent to the development;

"3. Additional regional traffic mitigation measures required as a cumulative result of this and other projects in the area should also be provided by the Petitioner. The Petitioner should donate all rights-of-way under his control that are needed for the highway improvements and should participate in the funding and construction of regional traffic improvements, on a pro rata basis, as determined by the State Department of Transportation.

"4. A planning timetable for each phase of the proposed project should be provided. The traffic study should be expanded to include traffic impact assessments for each phase of the project and recommend an implementation schedule for required mitigation measures.

"5. Utilities should be placed underground to mitigate any impact on scenic vistas. Bike paths and highway landscaping should also be addressed.

"6. The Petitioner should state his commitment to provide roadway improvements."

81. The Office of State Planning indicated that the proposed business hotel, light industrial park, and expansion of the existing business park makai of Queen Kaahumanu Highway were assumed to be completed after the horizon year of 2010 and thus, the traffic generation of the proposed development of the Property at full build-out was not completely studied. The Office of State Planning believes that the traffic impacts are, therefore, understated. In order to ensure that proper

mitigative measures are provided for those aspects of the proposed development of the Property both before and beyond the 2010 horizon date, and that the mitigative measures are properly timed in accordance with the phasing of the development of the Property, the Petitioner has agreed to traffic monitoring, participation in traffic management, and to cooperate with the appropriate State and County agencies including the State Department of Transportation on the roadway improvements in the area and their phasing.

Water Service

82. Petitioner's consultant Belt, Collins & Associates indicated that water wells would be constructed at the 1600 foot elevation, along with storage and transmission facilities to service the Property. The water system will be constructed in accordance with County of Hawaii standards and those of the State Water Commission Department of Land and Natural Resources.

83. Petitioner anticipates that there will be adequate water sources for the Property, and that the proposed water system will be adequate to serve the Property.

84. Petitioner anticipates sharing the cost of developing the water source, storage facilities and water transmission and distribution systems for the Property with adjoining landowners, and therefore, Petitioner does not anticipate that any public agencies providing water services or

facilities will be unreasonably burdened by the proposed development of the Property, or that the proposed development of the Property will necessitate an unreasonable investment in public infrastructure, support services or commitment of State funds or resources, or that the proposed water system will have any adverse impact upon any surrounding area.

Wastewater Treatment and Disposal

85. The Property is not presently served by a wastewater collection system. The Petitioner proposes and has received assurances from the County of Hawaii that the wastewater from the proposed development of the Property will be processed at the planned Kealakehe sewage treatment plant. The new treatment plant will be located on a 50 acre site on the Kealakehe parcel adjacent to the Property. The projected completion date of the treatment plant is late 1992. Petitioner has had early discussions with the engineers designing the new plant and has determined that the plant will have sufficient capacity to process the wastewater from the phased development of the Property.

86. Within the Property, Petitioner will construct gravity mains and a force main to transport the wastewater to the sewage plant. Petitioner has agreed to pay its pro rata share of the wastewater facilities necessitated by the proposed Project. The proposed Project will not unreasonably burden State funds or resources.

Drainage

87. The existing soil types within the Property are very permeable and surface waters drain rapidly. There are no perennial streams on the Property and no well-defined natural drainageways have been found. No floodways or flood zones have been identified within the Property.

88. Surface water runoff will increase due to an increase in impermeable surfaces as the Property is developed. However, significant alterations to the existing surface water runoff patterns are not expected to occur. Petitioner proposes to channel the additional run-off resulting from the proposed development of the Property into drywells where the water would be allowed to percolate into the ground. The location of the drywells will be done pursuant to the requirements of the County Department of Public Works and the Underground Injection Control standards set by the State Department of Health. Petitioner does not anticipate that the drainage for the proposed development of the Property will have any significant adverse impact on the environment.

Solid Waste Disposal

89. Petitioner's proposed development of the Property is expected to generate a significant volume of solid waste. As the different phases of the proposed development of the Property are constructed and occupied, the generation of solid waste is expected to increase to a maximum at full build-out of approximately 96 tons per day.

90. Petitioner proposes to dispose of the solid waste generated by each phase of the development of the Property in the County of Hawaii landfill, currently planned to be constructed in North Kona, Hawaii.

91. Petitioner has made the County of Hawaii aware of the expected generation of solid waste from the development of the Property and the new landfill will have adequate capacity to service the each phase of the development of the Property.

Schools

92. The West Hawaii area is served by eleven public schools. The schools in the immediate vicinity of the Property include Konawaena Elementary, Intermediate, and High Schools, and the Kealahou Elementary and Intermediate Schools. Private lower and upper schools include the Hawaii Preparatory Academy and Parker School.

93. Due to the delay in the residential development in the mauka portion to be purchased by the State, Petitioner does not anticipate that the proposed development of the Property will cause a significant increase in student enrollments. Petitioner will continue to work with the State Department of Education to assure that adequate school services and facilities are available.

Police and Fire Protection

94. The proposed development of the Property as well as other planned private and public projects will require expansion of the existing police and fire department services

and facilities. Petitioner will cooperate and work with planning officials to ensure that adequate police and fire services are provided.

Electricity and Telephone Service

95. Electricity will be provided to the Property by the Hawaii Electric Light Company (HELCO). The electrical power delivery system will require upgrading and expansion to meet the phased needs of the development of the Property. HELCO has been informed of the eventual needs generated by the development of the Property and has assured the Petitioner that sufficient generating capacity will be available.

96. Telephone service to the Property will be provided by Hawaiian Telephone Company. The proposed development is not anticipated to result in an unreasonable burden upon the telephone facilities.

COMMITMENT OF STATE FUNDS AND RESOURCES

97. Given Petitioner's commitment to pay its pro rata share of various infrastructure expenses necessitated by the proposed development of the Property, Petitioner does not anticipate that the proposed development of the Property will result in any unreasonable commitment of State funds or resources.

CONFORMANCE TO URBAN DISTRICT STANDARDS

98. Based on the findings previously stated, and the evidence and testimony adduced at the hearing, the Property meets 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 Property is located immediately adjacent to and is contiguous with lands which are located in the Urban District and which are zoned and used for urban uses.

b. The development of the Property will serve as an extension of Kailua-Kona and will expand the existing center of trade and employment.

c. The proposed development of the Property represents an appropriate and reasonable use of the Property and is an appropriate location for urban concentration.

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

e. 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.

f. The Property is designated for "Urban Expansion" under the County's General Plan, and Petitioner's proposed urban reclassification of the Property is compatible with this designation.

g. Given Petitioner's commitment to pay its pro rata share of the cost of infrastructure necessitated by the

development of the Property, the proposed development will not require an unreasonable investment in public infrastructure or support services.

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

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

99. The reclassification of the Property and the proposed development of the Property are in conformity with State goals set forth in Section 226-4, Hawaii Revised Statutes HRS. The proposed development is intended to accommodate the major population growth that has been projected for the West Hawaii region. The urban expansion is proposed as a diverse mix of commercial and business opportunities that will be necessary to satisfy the growing demand for a full range of services and activities.

100. The reclassification of the Property and the proposed development of the Property also conform to the objectives set forth in Sections 226-5, 226-6, 226-8, 226-11, 226-12, 226-13, 226-14, 226-16, 226-19, 226-20, 226-23, and 226-25, HRS, as follows:

The development of the Property will encourage and increase economic activities and employment opportunities on

the neighbor islands consistent with community needs and desires (Section 226-5).

The development of the Property will increase and diversify employment opportunities, foster cooperation between public and private sectors in developing employment and economic growth opportunities, promote and protect intangible resources (Section 226-6).

The development of the Property will improve the quality of existing visitor destinations and encourage cooperation in developing and maintaining well serviced visitor industry and related developments (Section 226-8).

With proper mitigation, the development of the Property shall have no significant adverse impacts on natural resources in the area. (Section 226-11).

The development of the Property promotes the restoration and preservation of important archaeological resources and will encourage the design of developments that complement the environment (Section 226-12).

The development of the Property encourages the maintenance of natural resources and encourages the urban development in close proximity to existing services and facilities (Section 226-13).

The development of the Property responds to the needs of the public (Section 226-14).

Petitioner will coordinate the development of land with the availability of adequate water (Section 226-16).

The development of the Property will encourage transportation systems that will accommodate future development needs (Section 226-17).

The development of the Property will provide services and activities that ensure environmentally healthful and sanitary conditions (Section 226-20).

The development of the Property will provide a wide range of activities and facilities to fulfill the cultural, artistic, and recreational needs of diverse and special groups (Section 226-23).

101. The proposed development of the Property also conforms to the priority guidelines set forth in Sections 226-103 and 226-104, HRS, and the various functional plans, as the development of the Property will stimulate economic growth, encourage business expansion, provide needed jobs, provide services and facilities to meet the projected growth of the population and encourage protection of the environment and resources.

CONFORMANCE WITH COASTAL ZONE
MANAGEMENT OBJECTIVES AND POLICIES

102. Although the makai parcel of the Property is within the Special Management Area, the parcel does not extend to the shoreline. The proposed development of the Property is consistent with the objectives of the Hawaii Coastal Zone Management Program, Chapter 205A, HRS. Point and non-point sources of pollution will be managed through compliance with

all applicable County, State, and Federal water standards. An archaeological inventory survey has been completed and a general mitigation plan will be coordinated with the State Historic Preservation Division. The proposed development of the Property is a relatively low density development which will minimize impacts on coastal views. The development of the Property is not anticipated to have any significant adverse impact to the existing coastal ecosystems.

STIPULATED AND PROPOSED FINDINGS OF FACT

Any of the stipulated or proposed findings of fact submitted by the 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, HRS, and the Commission Rules, the Commission finds upon the preponderance of the evidence that the reclassification of that portion of the Property designated "Phase I" and "Phase II" of Petitioner's Phasing Plan (Exhibit 18), consisting of approximately 545.391

acres, situated mauka of Queen Kaahumanu Highway, at Keahuolu, County, Island and State of Hawaii, and identified by Tax Map Key Nos. 7-4-08: por. 12, from the Agricultural and Conservation Districts to the Urban District, conforms to the standards for establishing Urban Boundaries, is reasonable, is not violative of Section 205-2, HRS, and is consistent with the policies and criteria established pursuant to Section 205-16, 205-17, and 205A-2, HRS.

The Commission further finds upon the preponderance of the evidence that incremental reclassification of that portion of the Property designated "Phase III" of Petitioner's Phasing Plan (Exhibit 18), consisting of approximately 212.333 acres, situated makai of Queen Kaahumanu Highway, County, Island and State of Hawaii, and identified by Tax Map Key Nos. 7-4-08: por. 12, in accordance with Hawaii Administrative Rules, Title 15, Subtitle 3, Chapter 15, Subchapter 8, Section 78, conforms to the standards for establishing Urban Boundaries, is reasonable, is not violative of Section 205-2, HRS, and is consistent with the policies and criteria established pursuant to Section 205-16, 205-17, and 205A-2, HRS.

The Commission further finds upon the preponderance of the evidence that the reclassification of that portion of the Property designated "Sale to State" in Petitioner's Phasing Plan (Exhibit 18), consisting of approximately 350 acres, situated makai of Palani Road, County of Hawaii, State

of Hawaii, and identified by Tax Map Key Nos. 7-4-08: por. 12, does not conform to the standards for Urban Boundaries, due to the fact that the State was not certain as to when it will be able to develop the lands it will acquire from the Petitioner and shall remain in the Agricultural District.

ORDER

IT IS HEREBY ORDERED that a portion of the Property which is the subject of this Docket No. A89-646 filed by Liliuokalani Trust, consisting of approximately 350 acres in the State Land Use Agricultural District at Keahuolu, Island, County and State of Hawaii, Hawaii Tax Map Key Nos. 7-4-08: por. 12 as approximately shown on Exhibit "A" attached hereto and incorporated herein, shall be denied reclassification to the Urban District.

IT IS HEREBY FURTHER ORDERED that the portion of the Property designated "Phase I" (315 acres) and "Phase II" (231 acres) in Petitioner's Phasing Plan (Exhibit 18), representing a portion of the Property consisting of approximately 357.033 acres in the Agricultural District and approximately 188.358 acres in the Conservation District situated at Keahuolu, Island, County and State of Hawaii, identified by Hawaii Tax Map Key Number: 7-4-08: por. 12, as approximately shown on Exhibit "A" attached hereto and incorporated herein by reference, shall be and is hereby reclassified to the Urban District and the State Land Use Boundaries are amended accordingly.

IT IS HEREBY FURTHER ORDERED that the portion of the Property designated "Phase III" (212 acres) in Petitioner's Phasing Plan (Exhibit 18), representing a portion of the Property, consisting of approximately 212.333 acres in the Agricultural District, situated at Keahuolu, Island, County and State of Hawaii, Hawaii Tax Map Key Nos.: 7-4-08: por. 2, as approximately shown on Exhibit "A" attached hereto and incorporated herein by reference shall be and the same is hereby incrementally reclassified pursuant to Commission Rule 15-15-78, and that redistricting from the Agricultural District to the Urban District will be granted upon receipt of an application by Petitioner for redistricting of this second increment (Phase III) upon a prima facie showing that Petitioner has made substantial completion of first increment (Phase I and II).

IT IS FURTHER ORDERED that the reclassification and incremental districting of the Property shall be subject to the following conditions:

1. Petitioner shall generate one (1) non-tourism related job, or the equivalent thereof, for each hotel unit Petitioner is allowed to build. As used herein, "non-tourism related" means not related to hotels or residential condominiums intended for use as transient accommodations, or recreational, entertainment or other facilities and services used primarily by tourists. The equivalent value of one

(1) non-tourism related job will be determined by the Office of State Planning.

2. Petitioner shall design and construct all structures and buildings in compliance with County, State, and Federal codes and standards.

3. There shall be no occupancy of any structures within a 1,300 foot buffer zone surrounding the Kealakehe Landfill until a permanent solution to the smoke, fumes, and other health hazards from the Landfill is in place.

4. The Landowner shall participate in an air quality monitoring program as specified by the State Department of Health.

5. The Landowner shall implement effective soil erosion and dust control measures during all phases of the development.

6. Petitioner shall provide or cause to provide the necessary water source, storage, and transmission facilities to service the Project. Petitioner shall coordinate and explore joint development with the County of Hawaii, Department of Water Supply, the State Department of Land and Natural Resources, adjoining landowners, and/or other State or County agencies regarding measures designed to obtain the required water for the Project.

7. The Landowner shall connect the wastewater system for the proposed development of the Property to the Kealakehe Wastewater Treatment Plant. Construction of structures within

the Property shall not commence until the Landowner has obtained assurances from the County of Hawaii that capacity at this plant has been reserved or will be available at the time occupancy occurs of structures within the Property; provided that, if the capacity at the Kealahou Wastewater Treatment Plant is not sufficient for the proposed development of the Property, the Landowner may utilize other alternatives acceptable to the State Department of Health and County of Hawaii.

8. Petitioner shall fund and construct highway improvements, including but not limited to the dedication of rights-of-way, necessitated by the proposed phased development and in designs and schedules accepted by and coordinated with the State Department of Transportation and the County of Hawaii.

9. Petitioner shall work with the appropriate departments of the State and County on the designs and construction of all roadway improvements within the Property. Petitioner shall work with the appropriate departments of the State and County on regional traffic improvements necessitated by the proposed phases of the development. Petitioner's participation shall not at any time exceed its pro rata share of roadway improvements made necessary by the increased traffic resulting from each phase of the development. In the event that the County of Hawaii adopts an impact fee for transportation improvements, the foregoing funding requirements may be modified or deleted to the extent that the cost of any

specific traffic improvement is also included in the County of Hawaii's impact fee computation.

10. Petitioner shall undertake periodic monitoring of the traffic conditions within and adjacent to the Property throughout the Project's development period to the satisfaction of and with the approval of the State Department of Transportation and the County of Hawaii.

11. Petitioner shall appoint a transportation manager whose function is the formulation, use, and continuation of alternative transportation opportunities that would optimize the use of existing and proposed transportation systems.

In the alternative, Petitioner may participate in a regional program for transportation management with other developers and/or landowners. This program shall address the formulation, use, and continuation of alternative transportation opportunities that would optimize the use of existing and proposed transportation systems.

12. Petitioner shall work with the County to establish a reasonable buffer area along the boundary of the Property to maintain the visual integrity from Queen Kaahumanu Highway.

13. Petitioner shall preserve those historic sites, as agreed to in writing with the Historic Preservation Division, State Department of Land and Natural Resources, in compliance with Chapter 6E, Hawaii Revised Statutes. The Petitioner shall submit to the State Historic Preservation

Division a detailed historic preservation mitigation plan in two parts, a preservation plan and an archaeological data recovery plan. This mitigation plan must be approved by the State Historic Preservation Division, prior to any field work and prior to any construction in the vicinity of historic sites. Also, the Petitioner must obtain verification by the State Historic Preservation Division that successful execution of the mitigation plan has been completed prior to any construction in the vicinity of historic sites.

14. Petitioner shall immediately stop work in the impacted area and contact the Historic Preservation Division, State Department of Land and Natural Resources, should any archaeological resources such as artifacts, shell, bones or charcoal deposits, human burial, or rock or coral alignments, paving or walls of historic or prehistoric origin be encountered during the development of the Property.

15. Petitioner shall formulate a fire contingency plan prior to construction in the project area. The fire contingency plan shall be approved by the State Department of Land and Natural Resources, Division of Forestry and Wildlife.

16. Petitioner shall coordinate with the County of Hawaii and the State Department of Health to establish appropriate systems to contain spills and prevent materials such as petroleum products, chemicals, solvents or other pollutants from leaching into the storm drainage system and adversely affecting the groundwater and coastal waters.

17. Petitioner shall prepare a drainage and erosion control plan and shall fund and construct the necessary drainage improvements and maintain ocean water quality to the satisfaction of the State Department of Health. Petitioner shall, to the extent necessary as determined by the County of Hawaii, coordinate off-site improvements with adjoining landowners and developers, and/or other Federal, State, or City agencies.

18. Petitioner shall fund and install, to the specifications and satisfaction of the State Office of Civil Defense, the necessary facilities within the Property and a siren paging encoder in the Kona Police Department substation.

19. Petitioner shall develop and maintain on-site facilities to insure that the nearshore, offshore, and deep ocean waters remain in pristine condition. Petitioner shall also participate in a water quality monitoring program in accordance with the methods and procedures approved by the State Department of Health.

20. Petitioner shall complete the development on the Property in substantial compliance with the representations made before the Land Use Commission. Failure to so develop may result in the reversion of the Property to its former land use classifications or a change to a more appropriate classification.

21. 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, provided that individual tenant leases may not be reported.

22. Petitioner shall provide annual reports to the Commission, the Office of State Planning and the County of Hawaii Planning Department in connection with the status of the subject project and the Petitioner's progress in complying with the conditions imposed.

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


24. Petitioner shall record the conditions imposed by the Commission with the Bureau of Conveyances pursuant to title 15, chapter 15, section 92, Hawaii Administrative Rules.


25. Petitioner shall submit to the Commission, OSP and the County a metes and bounds map and description of the reclassified portions of the Property.


DOCKET NO. A89-646 - LILIUOKALANI TRUST


Done at Honolulu, Hawaii, this 28th day of August 1991,
per motion on August 22, 1991.


LAND USE COMMISSION
STATE OF HAWAII

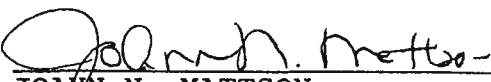
By 
RENTON L. K. NIP
Chairman and Commissioner

By 
ALLEN K. HOE
Vice Chairman and Commissioner

By 
ALLEN V. KAJIOKA
Vice Chairman and Commissioner

By 
KAREN S. AHN
Commissioner

By 
EUSEBIO LAPENIA, JR.
Commissioner

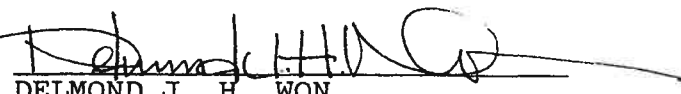
By 
JOANN N. MATTSON
Commissioner

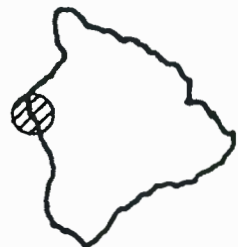
Filed and effective on
August 28, 1991

Certified by:


Executive Officer

By 
ELTON WADA
Commissioner

By 
DELMOND J. H. WON
Commissioner



HAWAII



Radio Fac.
(VORTAC)

KEALAKEHE

KEAHUOLU

PHASE 2

PHASE 3

PHASE 1

DOCKET NO. A89-646 / LILIUOKALANI TRUST

LOCATION MAP

TAX MAP KEY : 7-4-08: por. 02, & por. 12
KEAHUOLU, NORTH KONA, HAWAII
SCALE: 1" = 2,000 ft. ±



RECLASSIFIED TO URBAN



SUBJECT TO INCREMENTAL DISTRICTING



DENIED RECLASSIFICATION TO URBAN

Queen

Kaahumanu

Hwy.

Palani

KAILUA

Kailua Bay

Alii

Kuakini Hwy.

EXHIBIT "A"

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)	DOCKET NO. A89-646
LILIUOKALANI TRUST)	LILIUOKALANI TRUST
To Amend the Agricultural)	
District Boundary into the)	
Urban District for approximately)	
919.366 acres and to Amend the)	
Conservation District Boundary)	
into the Urban District for)	
approximately 188.358 acres,)	
at Keahuolu, Island, County)	
and State of Hawaii, Hawaii)	
Tax Map Key Nos. 7-4-08:)	
por. 2, por. 12)	
_____)	

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. NORMAN K. HAYASHI, Planning Director
Planning Department, County of Hawaii
25 Aupuni Street
Hilo, Hawaii 96720

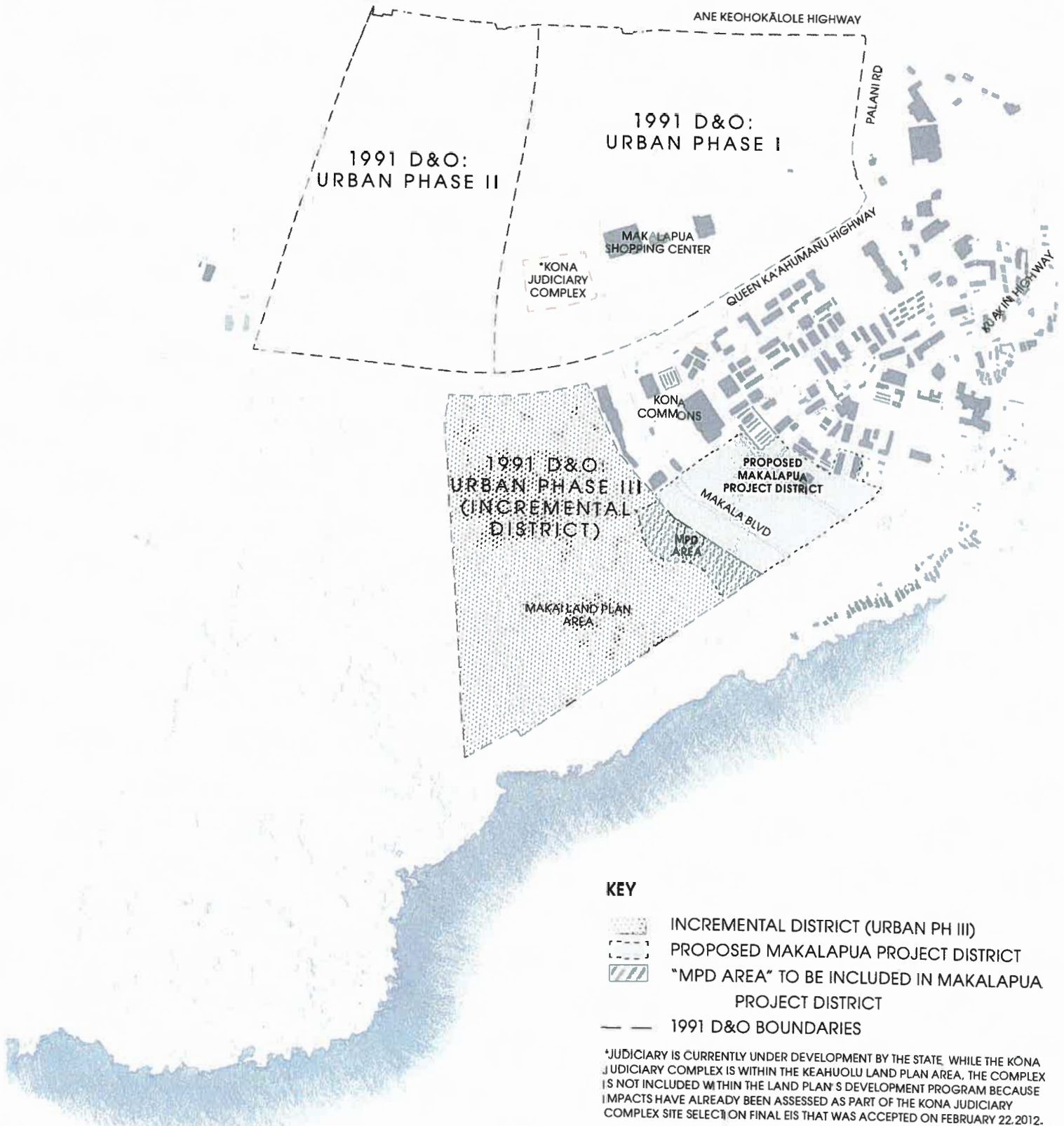
CERT. BENJAMIN A. KUDO, ESQ., Attorney for Petitioner
Watanabe, Ing & Kawashima
745 Fort Street, Hawaii Tower
Honolulu, Hawaii 96813

CERT. MARK VAN PERNIS, ESQ., Attorney for Intervenor
Gallup & Van Pernis
P. O. Box 1837
Kailua-Kona, Hawaii 96745-1837

DATED: Honolulu, Hawaii, this 28th day of August 1991.



ESTHER UEDA
Executive Officer



Keahuolu

KAILUA-KONA HAWAII

QUEEN LILI'UOKALANI TRUST

MITHUN

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of

QUEEN LILI'UOKALANI TRUST

To Amend the Agricultural District Boundary into the Urban District for approximately 919.366 acres and to Amend the Conservation District Boundary into the Urban District for approximately 188.358 acres, at Keahuolū, Island, County and State of Hawaii, Hawaii Tax Map Key Nos. (3) 7-4-08: por. 2, por. 12

DOCKET NO. A89-646

CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Motion for Order Modifying the Findings of Fact, Conclusions of Law, and Decision and Order filed August 28, 1991 was served upon the following as indicated below:

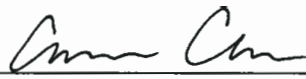
LEO R. ASUNCION, Jr., AICP, Acting Director Office of State Planning 235 South Beretania Street, 6 th Floor Honolulu, Hawaii 96813	Via Hand Delivery
DUANE KANUHA, Planning Director Planning Department, County of Hawaii 101 Pauahi Street, Suite 3 Hilo, Hawaii 96720	Via U.S. Postal Mail
MARK VAN PERNIS, ESQ., Attorney for Intervenor 75-167F Hualalai Rd., Ste B Kailua-Kona, HI 96740 P.O. Box 1837 Kailua-Kona, Hawaii 96745-1837	Via U.S. Postal Mail

HAWAII ELECTRIC LIGHT COMPANY, INC 1200 Kilauea Ave. Hilo, Hawaii 96720 54 Halekauwila Street Hilo, Hawaii 96720 P.O. Box 1027 Hilo, Hawaii 96721-1027	Via U.S. Postal Mail
HILO ELECTRIC LIGHT COMPANY, LIMITED 1200 Kilauea Avenue Hilo, Hawaii 96720 54 Halekauwila Street Hilo, Hawaii 96720 P.O. Box 1027 Hilo, Hawaii 96721-1027	Via U.S. Postal Mail
COUNTY OF HAWAII 25 Aupuni Street Hilo, Hawaii 96720 25 Aupuni Street, Suite 1101 Hilo, Hawaii 96720	Via U.S. Postal Mail
GTE HAWAIIAN TELEPHONE COMPANY INCOPORATED, now known as HAWAIIAN TELCOM, INC. 1177 Bishop Street Honolulu, Hawaii 96813 161 Kinoole Street Hilo, Hawaii 96720 P.O. Box 2200 Honolulu, Hawaii 96841	Via U.S. Postal Mail
WATER BOARD OF THE COUNTY OF HAWAII 25 Aupuni Street Hilo, Hawaii 96720 345 Kekuanaoa Street, Suite 20 Hilo, Hawaii 96720	Via U.S. Postal Mail

<p>WATER COMMISSION OF THE COUNTY OF HAWAII 25 Aupuni Street Hilo, Hawaii 96720</p> <p>345 Kekuanaoa Street, Suite 20 Hilo, Hawaii 96720</p>	Via U.S. Postal Mail
<p>HAWAII PLANNING MILL LTD., dba HPM BUILDING SUPPLY 380 Kanoelehua Ave. Hilo, Hawaii 96820</p> <p>16-166 Melekahiwa Street Keaau, Hawaii 96749</p>	Via U.S. Postal Mail
<p>TIME WARNER ENTERTAINMENT COMPANY, L.P. dba OCEANIC TIME WARNER CABLE 1257 Kilauea Avenue Hilo, Hawaii 96720</p> <p>1136 Union Mall, Suite 301 Honolulu, Hawaii 96813</p>	Via U.S. Postal Mail
<p>STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION 869 Punchbowl Street Honolulu, Hawaii 96813</p> <p>601 Kamokila Blvd. Room 691 Kapolei, Hawaii 96707</p>	Via U.S. Postal Mail
<p>TROY CMBS PROPERTY, L.L.C., 3100 West Big Beaver Road Troy, Michigan 48084</p> <p>P.O. Box 8073 Royal Oak MI 48068-8073</p> <p>3333 Beverly Rd. Hoffman Estates, IL 60179</p>	Via U.S. Postal Mail

MACY'S WEST, INC. now known as MACY'S WEST STORES, INC. 1600 Pauahi Tower 1003 Bishop Street Honolulu Hawaii 96813	Via U.S. Postal Mail
KM KONA PARTNERS 1288 Ala Moana Boulevard, Suite 208 Honolulu, Hawaii 96814 1001 Bishop 1050 Pauahi Tower Honolulu, Hawaii 96813	Via U.S. Postal Mail
WALLACE THEATER CORPORATION 7132 Regal Ln. Knoxville TN 37918-5803 REGAL CINEMAS, INC. 1136 Union Mall, Suite 301 Honolulu, Hawaii 96813 HOLLYWOOD THEATERS, INC. c/o Regal Cinemas, Inc. 7132 Regal Lane Knoxville, Tennessee 37918 Attn: Real Estate Department	Via U.S. Postal Mail

Dated: Honolulu, Hawaii, August 14, 2015.


 BENJAMIN A. KUDO
 CONNIE C. CHOW
 Attorneys for Petitioner
 QUEEN LILI'UOKALANI TRUST