

LAND USE COMMISSION
STATE OF HAWAII

Minutes of Public Hearing

Lobby of State Office Building

Honolulu, Hawaii

1:00 P. M. - January 18, 1964

Commissioners

Present:

C.E.S. Burns
James P. Ferry
Goro Inaba
Shelley Mark
Shiro Nishimura
Charles S. Ota
Myron B. Thompson
Robert G. Wenkam
Leslie E. L. Wung

Staff

Present:

Raymond Yamashita, Executive Officer
Roy Takeyama, Legal Counsel
Gordon Soh, Planning & Economic Development
Richard Mar, Field Officer
Amy Namihira, Stenographer
Alberta L. Kai, Stenographer

Having called the public hearing to order, Chairman Thompson said an opening prayer. The Chairman introduced each commissioner and outlined the procedures to be followed throughout the public hearing.

PETITIONS OF MABEL K. ENA AND THE ROMAN CATHOLIC CHURCH (A(T)63-44 and A(T)63-40) FOR AMENDMENT TO THE TEMPORARY DISTRICT BOUNDARIES FROM A CONSERVATION DISTRICT CLASSIFICATION TO AN URBAN DISTRICT CLASSIFICATION FOR LANDS IN MANOA VALLEY: Described as First Division, TMK 2-9-54: 5; 2-9-54: 7, 13, 18 and 2-9-55: 5 and 10.

Mr. Gordon Soh, who was sworn in, gave a background description on the area and request involved, and pointed out the location of the area in question on a map.

Mr. Christopher Cobb introduced himself and Mr. Morten Anderson as counsels for the petitioners; and Mr. Kenneth Nurse, officer and manager of Hawaiian Trust real estate activities, who was sworn in.

In an answer and question session Mr. Nurse acknowledged that Hawaiian Trust Company, Ltd. was the duly appointed and acting trustee of the John Ena and Mabel Ena estates; and that Hawaiian Trust, as trustee, is guardian of parcel

described as 2-9-54: 5 and owns a lease on parcels consisting of 2-9-54: 7, 13, 18 and 2-9-55: 5 and 10. Mr. Nurse stated that he and his staff have made numerous calls to developers to interest them in developing these lands. He stated many (developers) have shown interest in these lands for a potential subdivision as many (developers) have felt that certain portions were suitable. Mr. Nurse stated that, however, their (developers') interest extended to only a point - largely to the extent as the situation is today - basically, because they were afraid of being binded by a possible law suit or possible condemnation. Mr. Nurse stated that R. M. Towill has prepared subdivision plans for these lands which plans were submitted to the City Planning Commission in July 1960 and got tentative approval from the Planning Commission on February 24, 1961. (Material on this is on file.) Mr. Nurse stated that they couldn't proceed with the subdivision of their lands even with the given tentative approval by the City Planning Commission because of certain conditions stated in the letter of approval, and the Trust was in no position to develop the lands itself, as no private developer was interested because of the law suit. Mr. Nurse stated that there was discussion of condemnation prior to the approval of the subdivision by the Department of Forestry and Agriculture and the Board of Water Supply. (Material on this is on file.)

Mr. Cobb informed the Commission that there has been a great deal of confusion on whether these lands in question had been at any time an official part of the forest reserve. Mr. Cobb stated that it has been the position of the petitioners that these lands were never in the forest reserve. He stated that, however, there have been many state agencies stating that these lands were in the forest reserve, and therefore, it is the contention of the petitioners that these lands were put in the conservation district because the first Land Use Commission erroneously believed that these lands were in the forest reserve. (Letter dated March 17, 1962 from the Department of Land and Natural Resources to Ralph K. Ajifu, Chairman, Land Use Commission, was read; letter in file.) Mr. Cobb stated that he has personally reviewed the records of the Board of Forestry and that in the official transcript of the hearing which was held in 1961 concerning these lands, it states that the hearing was held pursuant to the provisions of section 19-21 and 19-22 of the Revised Laws of Hawaii, 1955. Mr. Cobb stated that these two sections (19-21 and 19-22) provide for the classification of land as a watershed, not as a forest reserve but a watershed, and provide for the condemnation of land that have been classified by the State. Mr. Nurse acknowledged Mr. Cobb questions when asked if he attended these hearings and protested against the classification of these lands as a watershed because he was afraid of the condemnation threat. Mr. Nurse replied in the negative when asked whether he knew of any other hearings held prior to 1961 in respect to this property.

Mr. Cobb stated that there are only two ways that these lands could have gotten into a forest reserve. (1) A voluntary submission of the land to the forest reserve by the owners; and (2) pursuant to a hearing and opportunity for the landowner to protest this classification. Mr. Cobb was fairly sure that these lands were never placed in the forest reserve, as he made a thorough investigation of the two only possibilities. Mr. Cobb stated that in 1961 the Land Use Law became effective and the jurisdiction of what used to be called the forest and water reserve zones was placed in the Land Use Commission and remained in the conservation district. Mr. Cobb stated that the impression

letters and newspaper clippings (Honolulu Star-Bulletin, Friday, 1/17/64) has erroneously implied that these lands are in the forest reserve, has posed a threat for condemnation and prevention of a development for a subdivision from proceeding.

Mr. Nurse stated that the subdivision map was allowed to lapse for one year after tentative approval and there was no current subdivision map during the summer of 1962. He stated that they wanted to develop the lands for urban use and were in favor of actually changing the use of the land to urban and were taking actual steps of getting tentative preliminary subdivision map approval.

Mr. Cobb submitted that there was a change in use of these lands in progress in the summer of 1962 and that under the Land Use Law (as it was written) the Commission was required to put lands in the urban district if the change of the use of the land to urban uses was actually in progress. Mr. Cobb stated that though this may be ancient history, he felt that if this Commission considered the actions of the first Commission, it would find that it was erroneous in this respect. He stated, however, this Commission's decision should be based on whether or not these parcels should be changed to an urban use at this time.

Mr. Nurse stated that these parcels of lands are abutting and in the path of urban development. He stated that they have a new subdivision map which was prepared (and displayed on the wall).

Mr. Cobb (at this point) introduced Mr. Bryan Grey, project engineer of R. M. Towill Corporation, who was sworn in. Mr. Grey who was familiar with the subdivision as shown on the map verified that the subdivision could develop accordingly as prepared and that the growth rate would not change the city standards. Mr. Grey gave a detail description of the area as it exists: the availability of sewer lines, water, sewage disposal, drainage and flood problems, roads; subdivisions in existence, under construction, proposed which were contiguous and adjacent to the parcels; the topography of the land as being rather steep but in general, the average slope for the entire parcels were below 20%. He also stated that parcels 5 and 10 of tax map key 2-9-55, and portion of 7 of 2-9-54 mauka of the proposed subdivision were not suitable for subdivision, to which Mr. Nurse was of the same opinion. Mr. Cobb requested that their petition be amended to drop parcels designated by tax map key 2-9-55: 5; 2-9-55: 10, and that portion of 2-9-54: 7 which is mauka of the proposed subdivision which Mr. Grey has established, from their request. The amendment to the petition was accepted and granted.

Mr. Nurse, being familiar with the Manoa Valley area, confirmed that there were schools, fire station, bus service and other urban like facilities in the vicinity, when asked by his counsel.

Mr. Cobb, having been advised to confine his remarks to general statements and a more summarized fashion by Commissioner Ota, summarized his presentation. He stated that he felt that he and his clients have shown that they have definitely fulfilled the condition which is precedent for granting this amendment, that the land is needed for urban use. With the population pressure

in Manoa Valley and the need for additional urban land, Mr. Cobb felt that this area in question would be an ideal place which is close to the city of Honolulu.

Mr. Cobb pointed out the following basic minimum standards and requirements of the Commission which they met:

1. The petition be consistent with the objectives of the Land Use Law.

Section 1 of Act 187, one of the objectives is to prevent scattered subdivisions with expansive yet reduced public services. Answer: This land clearly would prevent any such waste.

2. Preserve, protect and encourage the orderly development of lands in the State for those uses to which they are best suited for the public health and welfare. (Objective in the Commissioner's proposed regulation)

This would be an orderly development of the State and obviously of Manoa Valley. There is just need for this land which would be in the public interest for classification into urban. The petitioners have dropped those parcels which project up into the ridges, which they recognize are not now useful for subdivision, from their petition. The remaining parcels consist of less than 70 acres of land, but there would still be a significant and useful number of houses that would be built on that land.

3. Consider proximity to centers of trading and employment facilities. (Proposed regulation)

The area is right in the district of Honolulu and proximity to and economically feasible to provide sewers, water, sanitation, school, playground facilities, police and fire protection. Testimonies have verified this.

4. Land shall have satisfactory topography and drainage, and be reasonably free from the danger of floods.

Those conditions are fulfilled by these lands. The topography is suitable and Mr. Grey has testified to this and has prepared a subdivision map showing this.

5. Consider the General Plan of the County.

This plan is not shown in the urban district on the General Plan of the County. The reason is that all agencies have been treating this erroneously as being in the forest reserve, and therefore is placed on the County General Plan other than urban.

6. Urban district shall include a sufficient reserve for foreseeable urban growth based on ten year projection. Land contiguous to existing urban areas shall be given preference.

There are urban development houses, and people living contiguous to these lands. All of the areas immediately contiguous to this land is planned for immediate development.

Mr. Cobb submitted that they have shown by the purposes of the law and the standards of this Commission, that their petition should be granted.

Mr. Gordon Soh proceeded with the staff's analysis and recommendations which was prepared according to the original petition as submitted. The staff recommended approval of the Mabel K. Ena request and denied the request of the Roman Catholic Church which petitions were submitted on their behalf by Hawaiian Trust Company.

Mr. Leslie J. Watson representing the Board of Water Supply was sworn in. He stated that the Board of Water Supply's stand remains the same even though the amendment has drastically changed the petitioners' request.

Mr. Watson stated that he was head of the Water Resources Division of the Board of Water Supply and that he, Mr. Ray Hefty of the Land and Contract Division, and Mr. John ~~Lee~~^{P. Lee}, geologist and hydrologist were asked by Mr. Edward J. Morgan, Manager of the Board of Water Supply, to represent the Board. He stated that the question before this Commission (and an important one) is not whether the land is physically feasible for subdivision but rather, what is the proper classification for this land in the interest and justice of the Island as a whole. He stated that the parcels fall above the revised forest lines which was approved by the Board of Water Supply and the Board of Agriculture and Forestry on December 30, 1944, but which has never become official because of circumstances. Mr. Watson stated that the important point is that since 1944 it has been widely known that the Board of Water Supply and the Board of Agriculture and Forestry have held that these lands should be protected in its natural state forever. Mr. Watson cautioned that without control or intelligent management of our water resources there would be a water deficiency, and an island that was once a civilization. He stated that it would be physically possible to build houses and entail most of the areas now classified as conservation, but if highest and best use of lands are to be classified and determined and resolved for residential subdivision by immediate dollar return, what would the general situation be on Oahu in a 100 years. Mr. Watson stated that if the vitally important lands at the end of Manoa are needed (as stated in the original petition, all of the 160 acres) for residential development, this information would be a comfort to the many promoters of many stalled subdivisions all over this island. He stated that it is difficult to understand how the petitioners can state that a subdivision of 160 acres (of the original petition) is necessary to provide residences at this time and at the same time to add that this vitally important infiltration area that supports central Honolulu be withdrawn. Where does the petitioner propose that the necessary water for the future is to come? The Honolulu Board of Water Supply and the State Department of Land and Natural Resources, to which the State Division of Forestry was transferred in the Statehood Reorganization, and this Commission have a tremendous responsibility to the people of this State, and as long as life is here, it is their responsibility to protect the ground water resources which the land itself constitutes the basis of our economy. About 20 years ago the Board

of Water Supply and the Board of Agriculture and Forestry, after long studies, decided that a revised forest reserve boundary was necessary. Acting upon the Board of Water Supply's recommendation, the Board of Agriculture and Forestry at its meeting of November 30, 1944 approved the revised lines. (Copy of the minutes available at Board of Water Supply). Mr. Watson stated that although there was large publicity of the actions of the governmental agencies, holding primary responsibility, (petitioners and interested landowners were informed) the necessary procedural detail required by pertinent statutes to establish these forest lines was delayed because of deaths, illnesses and etc. The survey description was finally available in 1950 and was discussed by the Board of Agriculture in its hearing of March 31, 1950. On December 16, 1960, the final description on metes and bounds was adopted for the forest and water line reserves by the Board of Agriculture at its meeting. The next obstacle that followed was the ruling by the Attorney General that too much time had lapsed between the hearings and the 1960 action to make it reasonable for the Governor to proclaim the line. On April 20, 1961, Director, Admiral Chun Hoon informed his Board of Agriculture that he would proceed with the processing of the necessary executive order. Here the record along these lines ended because of the legislation which created this Commission.

Mr. Watson stated that the petitioner states that the subject land is directly in the path of urban development in Manoa Valley. Mr. Watson remarked that all of the forest and watershed, and infiltration area on this island are in the path of development. Mr. Watson stated that it has been explained that the tentative approval referred to in the petition went dead. Mr. Watson stated that the petition states that on February 24, 1961 tentative approval of the proposed subdivision was granted by the Planning Department. Parenthetically this would be false because of failure of following through on the part of the petitioners. References are made to the erroneous impression of the earlier personnel of this Commission that the subject lands was part of the forest and water reserve zone. Mr. Watson stated that Mr. Anderson made this charge at a meeting in the Transportation Department auditorium and he challenged him at that time. Mr. Anderson stated that the Board of Water Supply people have misled people into believing that this lowerline (which I have described) was the official line. Mr. Watson stated that parenthetically it would have been more correct if they had inserted something to the effect that the line is not officially fixed, but the Board of Water Supply has been trying since 1944 to have it fixed. Mr. Watson stated that the Board of Water Supply urged that this Commission deny this petition. He stated that it is not extravagant to say that on this small island you must protect the grounds through which rain water filtrates to give us our priceless ground water resource.

The Chairman requested that all questions be dispensed with at this point and requested that all people who are interested in presenting materials for or against this petition at this time proceed accordingly in the interest of time:

1. Individuals representing organizations to be called first.
2. Those who wish to speak on their own behalf would be given the opportunity if time permits.

A letter from Dr. Thomas Hamilton, President of the University of Hawaii dated 1/17/64, was read and made part of the record, informing the Commission of the University's stand opposing the proposed change by the owners.

Mr. Frederick K. F. Lee, Planning Director, City Planning Department, was sworn in. He stated that the Survey Division of the Department of Accounting and General Services has a map on file entitled, "Honolulu Watershed Forest Reserves", its HSS Plate 2134-A, dated December 5, 1961, that this plate indicates that the properties that are in question are in the forest reserve area as delineated by this map. The City Planning Commission has also asked the Board of Water Supply to appear before the Planning Commission, and it was upon their recommendation that the Planning Commission decided that this area should be retained as a watershed area. He stated that another point which he wishes to clear is the question concerning the line dipping down the two stream beds. Mr. Lee stated that it is best to have the lines such as this follow the natural boundaries, and the reason why the lines is deviated along the streams is because it is economically very expensive to bridge across these streams to develop such a small parcel of land.

Mr. Laurence F. Blodgett, President of Manoa Valley Community Association, was sworn in. Mr. Blodgett presented the stand of the Manoa Valley Community Association supporting the position of the Board of Water Supply. (Presentation in writing was submitted for the record.)

Mrs. Jack Marnie, President of the Outdoor Circle, supported the stand of the Board of Water Supply and submitted her written comments for the record.

Mr. W.W.G. Moir, President of the Hawaii Botanical Gardens Foundation, was sworn in. He stated that the Foundation has been involved with a great deal of study in this area for many years, and after thorough study and knowing all of the difficulties connected with taking over the water supply and endangering the future of the whole island, the Foundation has given up the idea and strongly supports the point of view of the Board of Water Supply in maintaining this area as Conservation.

Mr. Robert M. Warner, Horticulturist and teacher at the University of Hawaii, and Vice President of the Hawaii Botanical Society, was sworn in. He stated that the Hawaii Botanical Society was opposed to the granting of this petition. He stated that as a teacher at the University he uses the arboretum as a source for plant material. He stated that there are over 6,000 identified kinds of plants in the arboretum. It is one of the accumulations of work over many years. It is something that must be preserved because it is something that is disappearing rapidly. He stated that the increased density of population in the area has caused many to be concerned and the proposed subdivision adjacent to this area will create a great problem in soil erosion, water shortage, disappearing of all the greeneries in the area, etc. Mr. Warner speaking in behalf of the Hawaii Botanical Society and a teacher at the University of Hawaii humbly requested that this Commission consider seriously before granting what seems to be unnecessary expansion to urbanization.

Mr. Cobb stated that there have been several reasons presented against this petition and he cited the gentlemen from Manoa Valley (representing the Manoa

Community Association) for example who has build his house on the ti-leaf slide and has gotten his house, which Mr. Cobb felt that he had little reason to say that somebody else shouldn't live farther up the valley.

Mr. Cobb pointed out that the staff report states that 12 6/10th% of the entire watershed is in this area, which of course is before the amendment of this petition. Mr. Cobb stated that the percentage of the watershed is now quite small and hoped that the staff would reconsider its recommendation on the basis of the amendment.

Mr. Cobb pointed out that the staff notes the building of apartments in Waikiki, across the Ala Wai Golf Course, in Makiki as reasons why there would be the need for more water. He stated that this Commission should take into consideration the fact that that argument basically is that the petitioners should be required to give their land to public use for the benefit of developers who want to build an apartment in Waikiki. Mr. Cobb stated that this is not fair. If this is the basis for it than this land should be condemned and purchased. Why should the petitioner give up all the benefit of his land for the developer in Waikiki? He stated that this stresses the public interest a little too far in this case, because under the present regulations of the Department of Land & Natural Resources there will be no essential use if the land is in the conservation district.

Mr. Cobb made reference to the map referred to by Mr. Lee showing that the area in question was in the Honolulu Watershed Forest Reserve. Mr. Cobb stated that these lands were never in the Honolulu Watershed Forest Reserve. He stated that they have seen this map and this map shows that the area is in the Watershed Forest Reserve and that that map was submitted to the Land Use Commission in 1962 and was the very basis for the classification of these lands in the conservation district. Mr. Cobb stated that map is wrong. He stated that the lands mauka of the lands in question are publicly owned, so that urbanizing of the lands in question will be the last encroachment in the area. He stated that this district is within the City of Honolulu and therefore makes it a different situation, a situation which orderly development favors development of this land as urban land. He stated that there has been mentioned of stalled subdivisions. Mr. Cobb stated that those subdivisions are stalled because they are not as well located as this one is. He stated that this subdivision would not be stalled, it would go through fast because the land is really needed for urban uses.

Commissioner Ferry stated that evidently the petitioner is basing his whole case on the fact that this area is needed for urbanization, and asked if this were correct? Mr. Cobb replied, "As we read the proposed standards of the Commission for the classification of lands (I know that these are not official yet but they are all that we have to go on), these regulations lay down standards for the Urban districts and it states that the land shall be in the Urban district if those standards are fulfilled - these standards have been fulfilled by the petitioner. Under the Conservation district there are standards that says that land which is essential as a watershed shall be in the Conservation district, unless otherwise provided in these regulations. We submit that (1) it is otherwise provided, because the other part of the regulation says that this land shall be in the Urban district; (2) basically

you simply must weigh these two. The petitioner has shown that the weight is on the side of the Urban classification for these small parcels of land."

Commissioner Ferry stated, "So in effect you concur that your case is based on the need for urbanization in the area." Mr. Cobb replied in the affirmative stating as compared to the need for watershed.

Commissioner Ferry asked Mr. Grey whether he would consider the development of those areas other than pink to be costly? Mr. Grey replied that he would consider the existing areas not to be costly. He stated that he was not qualified to give any phases on the economic possibilities, but could only insert that it is physically possible to subdivide. Commissioner Ferry asked, "You couldn't quote as to what the per lot development cost might be?" Mr. Grey replied that they have not made that kind of a study. Commissioner Ferry asked whether Mr. Nurse would be in the position to know? Mr. Nurse replied that he could only guess and he would assume, having been out on the land, that the land surrounding it undoubtedly the cost would exceed. The development cost would exceed in all probability some of the surrounding land which is either now in subdivision or being cleared for subdivision. Commissioner Ferry stated that it would not exceed that cost. Mr. Nurse replied in the affirmative.

Commissioner Ota remarked that the Counsel for the petitioner has repeatedly mentioned that the Board of Agriculture and the Board of Water Supply were in error in establishing the inclusion of the parcels in question in the Honolulu Watershed Forest Reserve. Commissioner Ota stated that Mr. Lee has shown a map to this effect that these parcels are included in the Honolulu Watershed Forest Reserve. Has the petitioners, or Hawaiian Trust being the trustees, ever called this to the attention of the Board of Agriculture and the Board of Water Supply that they were in error?

Mr. Cobb replied, "I have investigated those maps, and I believe those maps which Mr. Lee has mentioned is dated 1961. However, we have found maps that go back as far as 1944 which shows this land as being in the forest reserve or the Honolulu Watershed Forest Reserve. I have searched diligently to find any legal basis for that map and there simply is no basis for that map. We have brought this to the attention of the Commission in 1962, 1963 and are doing it again. I have mentioned this to the Territorial Survey Office and their reply is that they don't know, they just keep the metes and bounds description from the Department. The Department says that we have held hearings but nothing was ever done. Hearings were held but no actions were ever taken. The maps were based on the hearings and not on any legal action."

Commissioner Ota stated that if he owned a piece of property and somebody encroached upon him he certainly would holler to whomever is on his property. Mr. Cobb stated that of course they have done this and have complained frequently. He stated that when the preliminary subdivision maps were approved in 1961 that alone proved that this land was not in the forest reserve. Mr. Cobb stated that lands in the forest reserves cannot be subdivided. He stated that they went through the city and state agencies to make their complaints at the time the map was approved.

Mr. Takeyama asked Mr. Nurse, "You concur with your counsel that the change in use of land was already in progress prior to the adoption of the Land Use Commission interim boundaries?" Mr. Nurse replied, "We got the City Planning Commission's approval on that map on the basis of that map."

Mr. Takeyama asked, "How far would you say that you were already in progress; did you go in and plow up the land?" Mr. Nurse replied in the negative, stating that R. M. Towill in behalf of Hawaiian Trust submitted that map for approval.

Mr. Takeyama asked, "No work was actually done, except in planning, was there?" Mr. Nurse replied in the negative, stating that the Company does not develop lands itself. He stated that if they could have found somebody to sell or purchase the piece of the Roman Catholic Church property together with the lease the Company has on it, it could have then gone ahead.

Mr. Takeyama stated, "By your statements, in other words, the development was already in progress mainly because tentative approval was granted by Mr. Leighton Louis (then director of City Planning Department)." Mr. Nurse replied in the affirmative.

Mr. Takeyama asked Mr. Watson if he could elaborate on what he meant that the so-called tentative approval granted by Mr. Louis (then director of City Planning) was defaulted. Mr. Watson stated that he believed that within one year it is required that the application be perfected by more detailed plans. Mr. Lee (director of City Planning Department) confirmed this statement. He stated that final action within one year of time after tentative approval must be had by the applicant, otherwise the subdivision is "wiped off".

Mr. Takeyama stated that the petitioner did not follow up on this, to which Mr. Lee replied that he did not.

Mr. Nurse added that his testimony included these same statements. He stated that his further statements stated that government which meant the Land Use Commission, the Board of Agriculture, Board of Water Supply, etc., prevented the Company from getting anyone who would be willing to go in on the basis of the tentative approval that they had, faithfully realizing that they would be faced with a law suit.

Commissioner Wenkam asked what were the conditions posed in the 1961 tentative approval? Mr. Nurse replied it included the standard clauses for tentative approval.

With no other comments and additional testimonies, the Chairman announced that this Commission will receive additional comments and protests within the next 15 days from this hearing and will take action 45 to 90 days from this hearing.

The public hearing was closed in the matters of Mabel K. Ena and the Roman Catholic Church.

PETITION OF OCEANIC PROPERTIES, INC. AND DOLE CORPORATION (A(T)63-38), FOR AMENDMENT OF THE TEMPORARY DISTRICT BOUNDARIES FROM AN AGRICULTURAL DISTRICT TO AN URBAN DISTRICT CLASSIFICATION FOR LANDS IN WAIPIO: Described as First Division, TMK 9-4 and 9-5.

A description and background of the area and request was given by Mr. Gordon Soh, who pointed out and outlined the location of the area involved on the map.

Mr. Harold Suenaga introduced himself and Mr. Kidwell as counsels for the petitioners; and Mr. Frederick Simpich, Jr. President of Oceanic Properties, Inc., who was sworn in.

Mr. Suenaga stated that they were appearing before this Commission to ask that certain interim boundaries be amended to permit them to use a portion of their lands in the Waipio area for urban purposes in accordance with the General Plan of the City & County of Honolulu. He stated that their petition requests that the interim boundaries be amended pursuant to Act 205, Session Laws of Hawaii 1963 which provides among other things that "in establishing the boundaries of the districts in each County, the Land Use Commission shall give consideration to the master plan or the general plan of the County." In Section 98H-4 of the Act, Amendment of District Boundaries, the petitioner must convince the Commission that "the area is needed for a use other than that for which the district in which it is situated is classified, and that the land is useable and adaptable for the use it is proposed to be classified."

Mr. Suenaga stated that he felt that everyone would agree that the land in question is clearly useable and adaptable for the use it is proposed to be classified within the meaning of the statute. He stated that 90% of the land has a slope of 5%, that it is well drained and inexpensive to develop. He stated that the only evidence which remains for them to show is that the area is needed for the use for which they propose to use it--the construction of a self contained satellite city which will be called "Waipio New Town." Mr. Suenaga stated that the petitioners will undertake to show their plans in establishing this need.

Mr. Simpich gave a brief history of their project and stated that one of the urgent urban needs of Oahu is a development that provides adequately sized houses for income people between \$5,000 and \$10,000 per year. He contended that there is no urban land available on Oahu today that meets the urgent need for fee simple housing for people of this income bracket. He stated that they were confident that they could produce such a development at Waipio New Town for as little as \$15,000 including the land in fee which would meet this urgent urban need. He concluded his presentation (which was submitted in writing for the record) that they are convinced that if Waipio New Town is not authorized, 2,000 acres of Hawaii's land would be idled and would have no foreseeable economic use.

Mr. Suenaga stated that technically this hearing is only concerned with their petition for amending the interim boundaries which was adopted by this Commission's predecessors in 1962. He requested that the Commission grant their

petition because the use for which they propose to put this land to adequately meets the present urban needs on Oahu for low priced home available in fee simple in the green open and beautiful environment. He stated that no other lands that have been designated urban or other proposed housing development can satisfy the need adequately as the New Waipio Town. He asked that the Commission's decision include: (1) amendment to the temporary district boundary as soon as practicable, after the statutory waiting period of 45 days, to include all of the 2,000 acre Waipio town adopted as part of the City and County General Plan for Oahu; and (2) an immediate designation of 2,000 acres of land as urban on the proposed permanent boundaries in conformance with the City and County General Plan for Oahu.

The following communications were presented by Mr. Suenaga for the record and read into the record by the Executive Officer:

1. Letter from Stanley S. Yanagi, Business Representative, United Brotherhood of Carpenters and Joiners of America, dated January 17, 1964, favoring the request of the petitioner.
2. Letter from Mayor Neal S. Blaisdell, City and County of Honolulu, dated January 13, 1964, urging favorable consideration by the Commission for the petitioner's request.
3. Letter from Mr. Frederick K. F. Lee, Planning Director, City Planning Department dated January 17, 1964 recommending that the petitioner's request be granted.
4. Letter from J. C. Reynolds, Business Representative of the Honolulu Building & Construction Trades Council, AFL-CIO, dated January 15, 1964, supporting the petition and requesting favorable consideration by the Commission.

The staff proceeded with the staff's analysis and recommendation. The recommendation of the staff was for denial of the request.

Mr. Frederick K. F. Lee, Planning Director of the City Planning Department, stated that the City has never had the opportunity to present their arguments to this Commission as a whole which they had utilized in their presentation to the Planning Commission. Mr. Lee stated that in their analysis, the first thing they considered was the pineapple operation--whether or not the use of this property as indicated would affect the pineapple industry locally. Mr. Lee stated that they found that Hawaiian pineapple had decreased from 72% to 55% of the world market. He stated, however, the Hawaiian pineapple juice has not decreased but has steadily increased through more effective means of agriculture. They have managed to increase production per acre in that way to get more proof per acre. This, he stated, resulted in a vacancy ratio of approximately 1,000 acres on the Island of Oahu. Oceanic has lands up and beyond the Wahiawa area totaling 12,000 acres. The City contend that 2,000 out of the 12,000 acres for urban purpose is a reasonable amount. The second thing they investigated was the availability of lands. He stated that they found (as the Land Use Commission staff found) that on the entire island

of Oahu there are only 21,000 acres of developable lands. Mr. Lee stated that these lands, however, are not clustered in one spot; it threads all around Kailua, Kaneohe, parts of Honolulu, Ewa, Kaena, Makaha, Haleiwa. Of the 21,000 acres, 10,000 acres would be available in the next few years.

Mr. Lee asked whether the staff in their review of the vacancy ratio of lands around the island, considered the vacancy ratio in Wahiawa? Mr. Lee stated that Wahiawa has the lowest vacancy ratio of any reasonable community area which proves that Wahiawa (the town) is crowded and has to expand in some direction. Mr. Lee stated that the staff has mentioned that there is a demand for urban developable lands within the area on the Ewa side of Honolulu. Mr. Lee stated that this urban area has crept along the shoreline into a strip development to what is known as urban sprawl. Mr. Lee stated that the economy of a satellite city is obvious, everything is centered, and service is readily available. Concentration of population would be within this area to prevent scatteration and urban sprawl.

Mr. Lee stated that there is a great demand for housing in the area. He stated that Waipahu just recently asked for 100 somewhat acres for an apartment development. He stated that there is a need for housing below the \$20,000 level and felt that Oceanic can provide this development. Mr. Lee stated that in regard to agriculture truck crops are cheaper to import than to produce. He stated that Oahu produces 50% of truck crops and consumes 80%. He stated that there are 1,300 somewhat acres of land in truck crops and of this 750 acres are on the other islands and 550 acres are on Oahu. Mr. Lee stated that presently there are 550 acres in the Waimanalo Valley agricultural development and 500 acres to be allocated by the Stat for a new program; also in the Kipapa Gulch upper area, some lands have been released for agricultural use. Mr. Lee stated that this shows that the need for truck crops is being met. Mr. Lee stated that the agricultural uses proposed by the staff such as continued pineapple or converting to irrigation of sugar cane are impractical. Mr. Lee pointed out that one of the impracticalities of expanding this operation is the lack of water in this area. Waihole ditch flows into the area but every water will have to be utilized from this ditch for irrigation. Wells can't be drilled in this elevation without great expense. Mr. Lee stated that these are the bases why the City felt that Waipio should be urbanized. The restriction that the City placed on this was that the highland of Kipapa Gulch was to remain in Agricultural and the land mauka would remain in Agricultural, so that the 2,000 acres would be contained within this area, leaving the balance in agricultural. The purpose of this was to retain most of the beautiful view that is in existence now along the highway, when the new highway is built. Mr. Lee stated that the esthetics of this New Town is considered well planned, and to which the Land Use Commission staff has no criticism of this planning concept. Mr. Lee stated that Oceanic Properties will be doing most of the development cost of this city, so that the cost of the City government will be on a minimum basis. Mr. Lee stated that with the cost of government today, this is a very important point, and no one is a better judge than the people at the City level.

Mr. Sandy Parker, Realtor, Security Finance Company, Ltd. was sworn in. Mr. Parker stated his opposition to a separate new city outside of Wahiawa and submitted his written comments as part of the record.

Mrs. Centeio, representing Mr. Chinn Ho, Managing Trustee of Mark A. Robinson Trust, was sworn in. She stated that the Trust is against the urban zoning by Oceanic Properties, and submitted the Trust's written comments for the record.

Mr. Masanobu Arakaki, representing the Hawaii Farm Bureau Federation, was sworn in. He expressed the Bureau's support of the petition and submitted its written comments for the record.

Mr. Max Velasco, speaking as a resident of the area, was sworn in. The following statement was given by Mr. Velasco:

"There is no one more affected by this project than I am, as I am living in the community. I have lived in the area for the last 15 years. There were just 53 students in the school--up to the present time there are over 1,000 students. In other words I have experienced the growth of the community and that is a wonderful feeling. I know this project here will help us tremendously in the growth and expansion of our community in the right direction. You have not experienced this as yet, but I have as I have grown with it. If there is any selfish motive it would be on my part--I would be the first one to oppose it. If this goes through I would be evicted from my house because I rent a home, but I am going along with this project. I am not speaking on behalf of Oceanic Properties and the people involved, because business wise they are my enemies. I am speaking for this project because I know what it will do not only for my community, for Wahiawa or Kipapa district, but for the whole State of Hawaii. I can understand those speaking against it as they are speaking to protect their interest and I feel that these are selfish motives.

"I made some notes on the report of the staff. The staff stated that there are many pieces of land for urban use available but failed to mention the ability of people to pay for this abundant. There are many lands available for sale but try to find out who can buy these lands for these exorbitant prices that they are asking for. This is why I am still renting a house because I cannot afford to buy one. Now this Kennedy development in Wahiawa that they talk about is asking for \$32,000 and a person whose income range averages between \$5,000 to \$10,000 cannot afford to buy one. I could afford a down payment but I would be paying all of my wages for the mortgage and what would be left for me and my family to live on, nothing. There was mentioned the matter concerning residences of the army people in Schofield who might be using some of the houses available in this development. This is to be expected. There are two important features of this project: (1) job opportunities it lends and affords to the people of the State. I have seen these lands and they have been lying idle for the last 4 years, it is not producing. If the pineapple company did produce and continue pineapple planting in this area, there is no doubt that there would never be a job opportunity for anybody because the company could still use their present working force to continue the job in planting. In other words there would be no new job available for anyone. But if this project is to go on, there will be thousands of jobs available to the people. There will be thousands and thousands of dollars that will be paid to these people for circulation for the economy of our State as well as for the people of Hawaii. I feel

the Commission should consider this. (2) The greatest feature of this project is the opportunity that it gives and offers to the people who have been yearning, hoping and dreaming to own their own home. You Commission members own your own home, you know the feeling, the pride and the satisfaction of owning your own home. There are thousands and thousands of people who would like to have the same feeling, too, including myself. It is impossible for these people to own a home at the exorbitant prices that are being offered on all of the houses and leases that are available for sale. There is no secret about that. You pay over \$20,000 for a lease land which is really not your own, but here at \$15,000 a person can own a home, fee simple, where else can you get that. I don't think that this 2,000 acres will badly affect the agricultural projects of the island. There are lots of land and I invite the Commissioners to come to the country and see some of these lands for agricultural that are not being used, because people are holding it back for speculation. I request that this Commission approve this plan, just like your predecessors did, the City & County, the Mayor and you will not regret your decision as far as the people in the community is concerned."

A letter presented for the record, dated January 18, 1964, from Richard H. Rodby, Kemoo Farm, Wahiawa, Oahu, recommending favorable consideration by the Commission on this request was read into the record by the Executive Officer.

Miss Gertrude Humphries was sworn in. Miss Humphries posed the following questions to be considered by the Commission and staff:

1. Would the tax be quite low if it stayed in agricultural even if the land was idle? Wouldn't the land being idle, if you say it had no economic use, wouldn't that lower the taxes?
2. Can the plans for this town be saved for some future time, 20 years or so? Does it necessarily mean that it will need to be changed? (Miss Humphries realized that Oceanic wants their plan now, and not 20 years) If it is later decided it is not needed for agriculture, way in the future, can this plan still be used?
3. In a book by Mr. Udall, Secretary of Interior, population growth is one of the problems facing the United States and eventually some control will be made. The City and County of Honolulu faces this problem in this respect that they can't do anything about it, and they simply go on providing lands for people indefinitely. Lands will eventually disappear for houses and the City people will be forced to say no. Why do they feel that economic pressure requires them to keep on providing homes?
4. Mr. Simpich mentioned that the agricultural uses of this land is for the next 10 to 15 years which does not seem like a long range. The Commission should think way ahead for the next 100 years when taking something into consideration--if you put a town in, it would be pretty permanent for a 100 years.

5. This plan is related to the plan for the whole island. Has the Commission made public its proposed boundaries, where it would put the urban areas?

Chairman Thompson stated that the Land Use Commission has adopted the proposed boundaries, but that the proposed boundaries are in the working stage and have not been drawn or made public as yet.

Open for Question and Answer Session

Commissioner Ferry asked whether Oceanic Properties had any projections as to time schedule for development; and stated that evidently the basic presentation has been for the need of a low cost housing in the State (and as a Commissioner recognizes this). In relation to your time for development, when do you propose to offer the \$15,000 package?

Mr. Simpich replied within one year after this Commission grants the urban approval and the City & County has approved the zoning request on the first increment that they would be able to offer the house that they describe.

Commissioner Ferry asked whether there will be approximately 4,000 residences? Mr. Simpich replied that it will vary with the demand and density that the demand generates, but based on the research and experience Oceanic has had, there have been about 5,000 to 6,000 units built a year since 1960 on Oahu. Based on this research there will be a demand in 1970 for 5,600 homes under \$20,000 a year. Oceanic has assumed that it should be able to capture 10% of this market in this location, so that Oceanic concept will be to advance after building 500 to 600 houses a year which is what the first increment is based on. However, Oceanic will consider its roads, water system, sewage disposal system, schools for a community which would over 10 years have 5,000 to 6,000 dwelling units in it.

Commissioner Ferry asked how many of these \$15,000 packages are proposed in the first increment? Mr. Simpich replied that this would have to be a test of the market. He stated that their architects have designed some 12 to 16 different type houses in the price range being discussed, and in the plan these houses will be set up as model and from then on the market will dictate.

Commissioner Ferry asked whether the first increment will include this \$15,000 package? Mr. Simpich replied in the affirmative, stating as much as the market demands of our models and requires of itself. This was their commitment.

Commissioner Mark asked for the description of the \$15,000 package. Mr. Simpich stated that this is in our memorandum but briefly it is a 1100 foot house which will have three bedrooms, bath and a half, and in addition a two car port encompassing 475 feet and a wall storage area.

Commissioner Mark asked what is the size of the lot? Mr. Simpich replied that the average size of the lot that is in question is 6,000 ft. which would apply to the \$15,000 house described.

Commissioner Mark asked what price range is being discussed in terms of the other units? Mr. Simpich replied that the houses that Oceanic is preparing

to deliver are the \$15,000 to \$20,000 range. From knowledge of market technique Oceanic will not be the only builder in this area. Oceanic will build to the market as discussed but there will also be areas available for others. From experience on the mainland it has definitely been shown that it is well to have competition in situation of this sort and therefore, Oceanic builders will be confine to what Oceanic has committed itself to this Commission and the City to deliver. There will also be a place for an occasional person who may want to start a \$5,000 home with his own architects, but Oceanic will deliver the \$15,000 to \$20,000 houses.

Commissioner Ferry stated, "Do I understand you to say that you may not offer a total package on a lot?" Mr. Simpich replied in the negative. Commissioner Ferry stated, "In other words a person can buy a lot himself." Mr. Simpich replied in the affirmative, stating that there will be areas to do that but under control by the plan and architectural development. Commissioner Ferry asked, "Do you propose to sell a block of lot to a developer?" Mr. Simpich replied that they probably would have to do that to help finance the project. They (Oceanic) could not possibly handle the development alone since there are millions of dollars in this. But where they do it will be subject to architectural control and compliance with the plans.

Commissioner Mark asked, "Architectural control by whom?" Mr. Simpich replied by the standards that Oceanic is establishing and guaranteeing to provide.

Chairman Thompson asked if this is a firm plan? Mr. Simpich replied that it is firm in terms of what they have said they will do. There is yet to be a detail engineering of a subdivision plan for submission to the City, but there will be no departure from this concept as it is here. In fact the only thing that will make it go and the reason for it, is the Plan and the fee land.

Commissioner Wenkam asked whether the houses described were fee simple drawings? Mr. Simpich replied in the affirmative stating that this is something that can be built under current City and County regulations.

Commissioner Burns asked whether the City is prepared to take over the parks and operate them or will Oceanic be doing it? Mr. Simpich replied that they have told the City that if they take them over and develop it they will give them the land. If the City declines to accept this then Oceanic will develop them and insure their perpetual maintenance through a community association which this type of a development will have to do any way.

Commissioner Wenkam stated that in a report by the Land Study Bureau of the University of Hawaii there are considerable references to the fact that bulk employment opportunities are in the general built up Honolulu area and will remain so. It also comments that developers in the central portion of Oahu may be disappointed in their anticipated market because of the feelings especially ^{for} those who wish low cost housing will wish to live near their place of work, and that the expansion of the Campbell Industrial Park will be by people who live in the Makakilo area and the Robinson Estate area who will be working locally. Commissioner Wenkam stated that these statements seem contrary to your (Mr. Simpich) statements with respect to the demand of need for houses in the central area. Could you discuss this further?

Mr. Simpich stated that they would be submitting a detail study of their research people who have been employed by the State and the City and other public agencies on market for real estate in Hawaii which would answer most of this. He stated, briefly, the employment center and population center of the island are here (Honolulu). But because the low price housing is available only on the windward side, every morning there is a steady stream of cars, clearly military, destined for Pearl Harbor and leeward direction. This housing is even in a much higher bracket than what is being discussed. But even in this price bracket, Pacific Palisades is doing very well. Mr. Simpich stated that they may be wrong but they have the best research people, and all the logic of market analysis that have been made to us state that there will be a tremendous market for demand.

Commissioner Wenkam mentioned that the Department of Transportation in justifying their H-3 route over the windward side states that the center employment is more in the area where downtown Honolulu is now. Commissioner Wenkam stated that there seems to be several opinions with respect to this and the demand for low cost home.

Mr. Simpich stated that the work that their people have done is quite thorough and while they propose to only give the 1964 study which was just completed on Wednesday, January 15, 1964, if there is any doubt on any part of the Commissioners, Mr. Simpich stated that he would be glad to include the 1960, 1961, 1962 study. (It was the consensus of the Commissioners that the current one would be more sufficient.)

Commissioner Wenkam requested that an abstract of a significant portion covering the need for low cost housing in this particular area and where the people are to work would be helpful. Commissioner Wenkam stated that there has been a great deal of comment with respect to job opportunities in this proposed satellite city. If Waipio did not go ahead according to the existing population demand, would it not cause equal opportunities for construction jobs in other existing urban zoned areas? This would not mean an increase in job opportunities but rather just moving them around.

Mr. Simpich replied in the negative. The Hawaii Housing Authority research found that there was one house on December 29 for sale under \$20,000 which had two bedrooms. Therefore the people being talked about^{are} living today in Kaimuki, in a guest house or an extra bedroom who cannot afford a home. So it is Oceanic's feeling that they will be generating construction which will not be created. Mr. Simpich stated that the land reduces offsite improvement cost to about 40¢ a foot as compared to \$1.50 and \$2.50 on the ridges that is being offered today.

Commissioner Wenkam stated that Oceanic will be taking people out of low cost housing projects, apartments, rental units in other areas and creating a brand new market. Do you feel that in spite of this remote location, opportunities for low cost housing will go up?

Mr. Simpich stated that this is remote to me, but it is not remote to what our figures indicate in a central employment.

Chairman Thompson stated that isn't there a confusion concerning the term of employment in the matter of waiting rather than the actual location. Mr. Simpich replied that people are trying to feel that everybody is working in Honolulu and overlooking all the agricultural labor, people working for the military, industry which locates the employment center to that direction. Chairman Thompson stated that this is the waiting focal point.

Commissioner Nishimura asked whether Oceanic had a contract with the Farm Bureau and making available 2,000 acres to the Bureau? Mr. Simpich replied that in the summer of last year, they negotiated a lease with the Farm Bureau which was much easier to negotiate and under the lease the Bureau is subleasing to farmers in the area. Mr. Simpich stated that Oceanic has made available 470 acres for lease and have stated that if there is a demand for more they will provide it.

Commissioner Ota asked that Mr. Simpich clarify the question concerning the lands in question being prime agricultural land. Mr. Simpich replied that the lands are prime agriculture for growing pineapple or sugar cane but, to make this land produce, the necessary heavy applications of fertilizer and water are quite expensive. Also the matter of transportation must be considered.

Commissioner Mark asked whether Mr. Simpich personally agreed to the statement by Professor Mullet that the future of agriculture seem to be pessimistic, at least on the island, if not in the State? Mr. Simpich replied that he was surprised that the College of Agriculture would be as pessimistic. Mr. Simpich stated that he believes that there is an opportunity for citrus here. He stated, however, that the future is extremely limited for its new export agricultural crops and in publications like Diversified Crop Parade of 30 Years Ago, it is the same problems. Oceanic's experience in these various products are not shallow. Oceanic has experimented, planted about every crop in the State and were not successful.

Commissioner Ferry asked how does Oceanic propose to deliver this \$15,000 to \$20,000 package with the developers in the picture? Mr. Simpich stated that Oceanic will be the developers who will meet this guarantee. Commissioner Ferry asked whether the developers will come in for anything over and above, or come in and compete at the same level; and Oceanic will fulfill the commitments it has made. Mr. Simpich stated that Oceanic makes no commitments to developers, but they have told everyone that besides meeting all of the other standards, Oceanic will be building in here too because they are on the line with the City and the State and are going to do it.

Commissioner Mark asked, "What percentage or portion of the total amount of housing available will Oceanic's commitment represent?; Do you have an estimate?" Mr. Simpich replied, "We will meet the market. I don't know what the market demand will be." Commissioner Mark asked, "Will you meet the market at 5%, 10% or 20%?" Mr. Simpich replied, "We can't tell you until we have had the necessary proof, because we have not been able to see or talk to people, advertise or anything else."

Commissioner Ferry stated, "Mr. Simpich, that is a very broad statement-- you will meet the market--because if you put out \$5,000, \$15,000 packages,

you have met the market." Mr. Simpich replied, "But not according to our research." Commissioner Ferry replied, "I'm sure you will find buyers that is what I am trying to say." Mr. Simpich replied, "We will see."

Mr. Simpich stated that their only qualification on this is that this is on today's circumstance. This is in relation to the new contract the construction industries had to sign, but what happens three or four years from now they did not know what the outlook would be.

Commissioner Ferry asked whether this will exist for at least three years, to which Mr. Simpich replied in the affirmative, stating that it is a three year contract.

Mr. Simpich in closing stated that a number of questions have been raised by staff (which is the first time that they have known^{what} the staff's views were) in terms of specifics. (Chairman Thompson clarified this point and stated that this was the first time that the Commission has known the staff's position, that this was the procedure.) Mr. Simpich stated that they would like to submit a memorandum in reply to the questions that the staff has raised. He stated, however, that the fundamental problems are clear and the first being, whether or not this land can be profitable under agriculture, under all of the circumstances; and the second is, whether or not the need which we know exists of the 5,000 to 10,000 year man for a good house and a nice environment is more compelling, to which Mr. Simpich submitted that the staff failed to address itself to this question.

The Chairman announced that the Commission will receive additional comments and protests within the next 15 days from this hearing and will take action 45 to 90 days from this hearing.

The public hearing was closed at 5:00 p.m.