

Approved 7/28/67

STATE OF HAWAII
LAND USE COMMISSION

Minutes of Meeting

State Highways Division
Hilo, Hawaii

March 31, 1967 - 2:10 p. m.

Commissioners Present: Myron B. Thompson, Chairman
C. E. S. Burns
Robert Wenkam
Shelley Mark
Jim Ferry
Goro Inaba
Leslie Wung
Shiro Nishimura

Staff Present: Ramon Duran, Executive Officer
Roy Takeyama, Legal Counsel
Ah Sung Leong, Draftsman
Dora Horikawa, Stenographer

The meeting was called to order by Chairman Thompson who offered a short prayer. An explanation of the procedures to be followed during the hearings and introduction of Commissioners and staff were followed by the swearing in of persons planning to testify before the Commission.

HEARINGS

PETITION OF BENJAMIN T. INOUE & PETER & MELODIE ADUJA (A66-146) TO RECLASSIFY 20 ACRES OF AGRICULTURAL LANDS TO URBAN LANDS, AT WAIKEA HOMESTEAD, SOUTH HILO, HAWAII, Tax Map Key 2-4-03: 38 and 40

A verbal request was made by Mr. Roy Nakamoto on behalf of John Ushijima, attorney representing petitioners, for continuation of this hearing to a later date, to afford the Hawaii County Planning Commission the opportunity to submit a reconsideration of its original recommendation for denial on this petition to the Land Use Commission. Mr. Nakamoto further advised that the Planning Commission agreed to conduct a general plan study of the entire area, including petitioners' lands, and that an amended recommendation would be forthcoming within a few months.

Inasmuch as no one voiced any objections to this request, it was moved by Commissioner Nishimura and seconded by Commissioner Wenkam to continue the hearing on this petition. The motion was carried by a unanimous vote.

PETITION OF HAWAII MILL CO., INC. (A67-147) TO RECLASSIFY 19.6 ACRES PRESENTLY IN THE AGRICULTURAL DISTRICT INTO THE URBAN DISTRICT AT SOUTH HILO, HAWAII, Tax Map Key 2-5-28: 16

Staff report presented by the Executive Officer recommended approval of

the petition based on analysis and field investigation of the site in question; provided the Commission initiate a boundary change to include parcel 20 and the intervening lands into the Urban District (see copy of report on file).

Mr. Curtis Carlsmith, attorney for the petitioner, called on two witnesses, one a realtor and the other a former long-time resident on the subject parcel, to answer any questions that the Commissioners might want clarified.

Mr. William A. Beard, Manager of the Real Estate Department of the First Trust Company of Hilo, Ltd., testified that he has lived in Hilo for nearly 30 years and was very familiar with the subject parcel; that the soil was very shallow, poorly suited for agricultural uses. The land was part of a large estate belonging to Mr. James Henderson and has been in urban use continuously for the past 50 or 60 years. It was his belief that close to 20 acres could be subdivided into a very desirable subdivision.

Mr. Harold J. Henderson, 743 Kaumana Drive, President of Hawaii Mill Co., stated that the land had never been used for agricultural purposes and that the adjacent plantation camp had been in existence for more than 55 years.

Mr. Carlsmith offered "Statement in Support of Petition" signed by H. J. Henderson, as evidence for the records in lieu of making an oral presentation. (See copy of statement on file.)

Commissioner Wenkam asked about the small separate parcel located within the subject lands. Mr. Carlsmith advised that the owner, Mr. Detor, had been contacted, and had expressed indifference over the zoning of his property, that he would be equally agreeable to an urban or agricultural classification. Chairman Thompson requested Mr. Carlsmith to solicit a letter from Mr. Detor to this effect and Mr. Carlsmith agreed.

Mr. Carlsmith added that contrary to the original information submitted, the nearest school was located only about a mile away from subject lands and not 2.9 miles away.

The hearing was closed thereafter.

A short recess was called by Chairman Thompson.

The hearing was resumed at 2:50 p.m.

ACTION

PETITION OF HAWAII PACIFIC LAND CO. (A66-141) TO RECLASSIFY APPROXIMATELY 41 ACRES SITUATED AT KEALAKEHE, NORTH KONA FROM AN AGRICULTURAL TO AN URBAN DISTRICT, Tax Map Key 7-4-04: 10

Mr. Ah Sung Leong presented the staff memo on the above petition, recommending denial on the basis that sufficient reserve vacant land has been set aside for urban needs, petitioner had not conclusively substantiated the need for additional urban lands, and the proposed subdivision would be contrary to one of the principal objectives sought to be accomplished by the Land Use Law involving scattered urban developments. (See copy of report on file.)

Commissioner Burns wondered whether the proposed development was geared toward providing housing for people employed in the various industries or for general housing purposes, and was informed that it was aimed primarily at providing housing for people engaged in the tourist business. It was also brought out that there were no other similar developments known to the staff, in the vicinity of subject parcel.

Mr. Ben Gromet, President of Hawaii Pacific Land Company, developers, informed that the 3-bedroom homes, including fee simple land, would cost in the neighborhood of \$20,000. He explained that this figure might go higher, depending on the cost of the underground water system which was being installed.

Mr. Leong explained that presently there was an 8" pipeline going up to Honokohau School and that money was available to continue this on to Palani Junction. Additional funds were being requested to extend this to service the Kealakehe School site. Commissioner Ferry added that the testimony relating to the request for these additional funds before the Senate Ways and Means Committee and the House Appropriations Committee had been favorably received.

As substantiating evidence of need and demand for the proposed development, Mr. Kai advised that the petitioner had submitted, with his petition, letters from Inter-Island Resorts, Fair Trade Council, the Royal Hawaiian Air Service and others attesting to this effect. Mr. Kai mentioned that some employees were traveling 17 miles to get to work from Honokaa to Kailua. Through informal inquiries of the banks, Hawaii Visitors Bureau, Robert Schmidt of the Department of Planning and Economic Development, Bob Sousa, Mr. Kai was able to arrive at a formula projecting population growth for the area. The range varied from 2 employees per hotel room to 6 per room.

Mr. Kai emphasized that construction for the development would commence immediately upon approval by this Commission. He stated that petitioners were prepared to market a complete package deal of house and lot with financing. Mr. Gromet added that they had already developed a source of financing through the Bank of Hawaii, and very conceivably if they could get FHA backing, the project could be offered to the public for a nominal down payment.

Mr. Gromet assured the Commission that in contrast to low-cost housing which became "future slums", their project was going to be a cluster-type design, which will be done in assembly-line fashion to keep labor and reproduction costs low.

Commissioner Ferry observed that competition in land uses encourages favorable prices and stabilizes the market. He said he believed that subject lands were best suited for an urban development in light of the anticipated developments planned for the area. He was also of the feeling that some credence should be accorded the developer on the basis of his past experiences and his ability to fulfill his commitments. Commissioner Ferry stated that a package deal of house and lot on the market would be tremendously successful. This in turn would force the absentee owners of urban lands in the vicinity to develop their lands for urban purposes, thus also resulting in equitable taxation.

Mr. Duran, Executive Officer, did not question Mr. Ferry's observations. However, he stated the Land Use Law mandates that this Commission justify boundary changes on the basis of need, and Mr. Duran felt that the staff had provided ample justification to show that there was a tremendous amount of vacant lands in the Kona area, not presently in use, that could be developed to accommodate the optimistic projection made by the petitioner. He could not see how the "need requirement" of the law was going to be justified in this case.

Commissioner Ferry commended the staff on the ^othrough job done of gathering statistical information. However, staff failed to note the diverse ownership pattern of urban lands in Kona--individual house lots owned primarily by absentee landowners, which did not contribute to the economy of the County or State.

In response to Commissioner Nishimura's question, Chairman Thompson advised that the Tax Office used the Land Use Commission's boundary lines as guidelines for determining the tax rates, but that the lands were probably assessed on their actual use.

Commissioner Burns moved to approve the petition on the basis that the petitioners had provided the necessary proof of need for this type of development in the area. Commissioner Wenkam seconded the motion and the Commissioners were polled as follows:

Ayes: Commissioners Burns, Ferry, Inaba, Nishimura, Wenkam, Wung,
Chairman Thompson

Nays: Commissioner Mark

The motion was carried.

SPECIAL PERMIT APPLICATION BY SHINOBU MORIMOTO (SP67-40) TO CONSTRUCT A BARBER SHOP AND STORE TO BE ATTACHED TO THE SOUTH SIDE OF THE EXISTING POST OFFICE ON THE MAUKA SIDE OF THE HAWAII BELT ROAD, Tax Map Key 2-8-16: 21

Staff report presented by Mr. Duran recommended approval of the special permit application based on evaluation of pertinent data and a field investigation of the site (see copy of report on file).

Commissioner Ferry moved to accept staff's recommendation for approval, seconded by Commissioner Inaba, and the motion was carried unanimously.

SPECIAL PERMIT APPLICATION BY PALMER SNYGG (SP67-41) TO CONSTRUCT AND OPERATE A HOTEL & SWIMMING POOL, ETC., ON MOLOKAI, Tax Map Key 5-7-07: 23, 25, 62, 63

On the basis of the analysis as outlined in the staff report and an investigation of the site, it was recommended by staff that the Commission accept the Maui County Commission's approval with the conditions.

Commissioner Nishimura requested clarification of the statement in the staff report "that special permit may be transferred to an unnamed corporation within 90 days from the date of final approval".

Commissioner Ferry explained that if the petitioner were unable to obtain the necessary financing to back such a project, he could form a corporation of individuals who would have the stability and ability to borrow the money to finance the project. This assured the County that this was ^{not} merely speculation, that construction would take place within 3 years.

Chairman Thompson raised another point for clarification in the staff report "that special permit apply to only those parcels which the applicant can acquire, provided these parcels are contiguous". Mr. Duran advised that the petitioner had taken options on some of these lots contingent on approval of the special permit by this Commission and that the maximum area would total 8 acres.

Mr. Snygg, petitioner, stated that the corporation, a California Corporation registered in Hawaii, had been formed and that they had purchased 3 pieces of the property.

Commissioner Ferry felt that Mr. Snygg should not have come in for a special permit request at this time if he were not in agreement with the stipulation imposed by the County Planning Commission that construction begin within three years from the date of final approval. Mr. Snygg replied that their original thinking was to begin construction within a year. However, there were many facets allied with the construction of a hotel that needed to be explored and Mr. Snygg felt that this might take a while.

Commissioner Ferry moved that staff recommendation be accepted and as stipulated by the County of Maui. The motion was seconded by Commissioner Wenkam and passed unanimously.

SPECIAL PERMIT APPLICATION BY TORAO MATSUYAMA FOR THE PURPOSE OF CONVERTING AN EXISTING NON-CONFORMING AUTO REPAIR SHOP TO A WASHERETTE AT KEALAKEKUA, SOUTH KONA, Tax Map Key 8-2-02: 28

Mr. Duran presented the staff report recommending approval of the special permit since the request met the guidelines established by the Commission in determining "unusual and reasonable" use within an Agricultural District.

Commissioner Ferry moved to accept staff's recommendation, seconded by Commissioner Inaba, and the motion was carried. Commissioner Nishimura cast the only dissenting vote.

Mr. Duran stated for the records that the area covered under this special permit be seriously considered for inclusion into the Urban District when the boundaries are re-evaluated in the near future since the property abuts an Urban District.

REPORT ON STATUS OF LEGISLATIVE BILLS

HB-168 - To include planning Director of each county as ex-officio voting

members.

HB-415 - To include the planning Director of each county as ex-officio non-voting members.

During the hearing before the House Committee on Lands, it was brought out that the primary concern here was the length of time it took to process a special permit.

Since then a new bill has been submitted, HB 780, providing for a maximum of 60 days in which to conduct a public hearing on special permits after receipt of application, as compared with the present provision of 120 days. Chairman Thompson stated that the Commission went on record supporting this measure.

SB-230 - The commission shall consist of 9 members who shall hold no other public office.

Chairman Thompson suggested that the Commission request the addition of the Director of the Department of Taxation to membership on the Land Use Commission. This would be especially desirable during the re-evaluation of the district boundaries. Commissioner Ferry added that a member of the Department of Taxation would also provide an insight into the comprehensive reasoning behind the zoning process.

SB-865 - Authorizing suit against the State by James Tamura for claimed damages caused by granting him land to be used for residential purposes in an Agricultural District.

NEXT MEETING SCHEDULE

Mr. Duran reminded the Commission that the next meeting will be held on Maui in April, with the meeting to be continued in Honolulu the following day.

DIAMOND HEAD HEARING

Commissioner Wenkam pointed out that pressure for a hearing on Diamond Head was becoming very real. He expressed concern over the proposed urbanization of government lands near the lighthouse, and felt it should be clearly understood that this and other government lands be put into the Conservation District.

Chairman Thompson asked if the Department of Land and Natural Resources would have any objection to scheduling a public hearing on the Diamond Head issue. Commissioner Ferry replied that he had no objections. The only area in question was the second increment of 60 house lots since they were presently involved in improving access into the crater. It was suggested that the Department of Land and Natural Resources review the boundary first and perhaps the hearing could be scheduled in May or June on a Saturday.

STATUS OF THE COMMISSION

Chairman Thompson advised that the appointment of a Maui Commissioner

was still pending. His own replacement will have to await his return from the mainland. Until such time as these replacements are effectuated, the Commission will have to operate with 7 members. It was important today to appoint a temporary chairman, and Chairman Thompson recommended Commissioner Burns for the position. It was moved by Commissioner Ferry and seconded by Commissioner Wenkam that Commissioner Burns serve as temporary chairman. The motion was passed unanimously.

Commissioner Burns agreed that until such time as the Commission was fully reconstituted, he was willing to serve in this capacity on an interim basis.

Chairman Thompson reflected that he had enjoyed working with the Commission over the years, and that it was an excellent learning experience. He emphasized that the success of the Commission would not have been possible without the excellent staff.

Commissioner Ferry paid tribute to Chairman Thompson in behalf of all the members who had served with him on the Commission. He acknowledged that the chairmanship was admirably served and deligently handled. He said that Chairman Thompson exercised discretion in avoiding serious conflicts and that the membership was always accorded equal opportunity to agree or disagree. The other members and the staff wished Chairman Thompson well in his new endeavors.

Commissioner Mark suggested that the foregoing be included in a resolution for the records.

Commissioner Burns requested that Mr. Roy Takeyama, legal counsel, prepare a resolution embodying the above expression of confidence.