

STATE OF HAWAII
LAND USE COMMISSION
HONOLULU, HAWAII

Minutes of Meeting

APPROVED
JUN 2 1972

Board Room #404, Queen Liliuokalani Building
Honolulu, Hawaii

April 7, 1972 - 10:20 a.m.

Commissioners Present: Goro Inaba, Chairman
Eddie Tangen, Vice-Chairman
Alexander Napier
Shelley Mark
Sunao Kido
Leslie Wung
Tanji Yamamura
Stanley Sakahashi

Staff Present: Tatsuo Fujimoto, Executive Officer
Ah Sung Leong, Planner
Gordan Furutani, Planner
Ben Matsubara, Deputy Attorney General
Jean Soma, Stenographer

Chairman Inaba called the meeting to order and apologized for the delay in the commencement of this meeting.

ADOPTION OF MINUTES

The minutes of the February 4, 1972 meeting were approved by the Commission on Vice-Chairman Tangen's motion and seconded by Commissioner Sakahashi.

ACTION

PETITION BY HAWAII LABORERS' HOUSING CORPORATION (A71-311) TO RECLASSIFY APPROXIMATELY 35.5 ACRES FROM AGRICULTURAL AND CONSERVATION TO URBAN AT KAIPAPAU, HAUULA, OAHU

Executive Officer, Mr. Fujimoto, informed that he was in receipt of a letter from Mr. Raymond X. Aki, General Manager, Hawaii Laborers' Housing Corporation, requesting a deferral

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of action on subject petition "to the April 21, 1972 meeting of the Commission as there are several matters we wish to take up with you and your staff . . . " (see letter on file).

Subsequently, Commissioner Napier moved that the request be deferred to the next Oahu meeting. The motion was seconded by Commissioner Yamamura.

At this time Mr. Raymond X. Aki asked to read a prepared statement, but Chairman Inaba did not permit him to do so since this will be more appropriate at the action meeting be held at a later date.

Chairman Inaba directed Mr. Fujimoto to poll the Commission, and the motion to grant the deferral was approved with the Commissions voting as follows:

Ayes: Commissioners Sakahashi, Wung, Yamamura,
Vice-Chairman Tangen, Napier, and Chairman Inaba.

Absent: Commissioners Kido and Mark.

Chairman Inaba acknowledged receipt of testimony forms signed by Mr. Gerald Ferro, Mr. Gilbert J. Obina, Mr. John S. Howett, Mr. Clifford Alapa, and Mary Lee (present at today's meeting) and also a petition signed by members of the Hauula Heights Community Association submitted by Mr. Gerald Ferro, President of said organization. Chairman Inaba then advised that staff will notify the above of the Commission's next scheduled meeting on this matter.

PETITION BY LAND USE COMMISSION (A71-312) TO RECLASSIFY
APPROXIMATELY 36 ACRES FROM URBAN TO CONSERVATION AT
MANOA VALLEY, OAHU

Staff planner, Mr. Leong, read the memorandum (see copy on file), in which staff recommended that this petition, initiated upon the Commission's motion, be approved based on data received to date, including that contained in House Resolution No. 273 of the Sixth Legislature.

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Mr. Arthur Wood, Area Manager for the Central Honolulu Area, Bernice P. Bishop Estate, read a letter signed by Mr. A. J. Dow, Chief Executive Officer of the Estate, in which Mr. Dow discussed the Trustees' opposition to this boundary amendment petition and urged the Commission to retain the Urban classification "in view of the great lack of residential lands available locally . . ." (see letter on file). Mr. Wood presented a map for the Commission's review outlining the subject lands which the City Council has rezoned into the City's Preservation District. He then pointed out a 6-acre area which the Trustees propose to develop into estate-type lots comprising one or more acres if the area is retained in the Urban District.

Relative to Commissioner Kido's inquiry regarding the location of an access, Mr. Wood pointed to a red area on his map representing Aalii Street, a "paper" street reserve which is not in existence at the present time.

Mr. Wood submitted that last summer the Trustees had extended a proposal to the owners of the front tier of lots to purchase the subject property in order that a consolidation may be effected. However, the purchase price was not agreed upon and the proposal was not finalized.

Mr. Leong informed Commissioner Sakahashi that a cross-slope analysis for the 4-acre area conducted by the City Planning Department staff revealed that Section A contains a slope of 40 percent and Section B contains a 38 percent slope. In addition, they have indicated that the development of Aalii Street as an access would result in a street with a slope of approximately 20 percent.

Mr. Wood reported that according to a hypothetical PUD prepared by Philip Won, the 4-acre portion was appraised at \$70,000 (or approximately 50 cents/square foot) and the 6-acre area was appraised for single family residential development at \$122,000. He conceded that most of the area under question is too steep and would not qualify for any type of subdivision development. However, he felt that the 6-acre area could be reasonably developed with proper engineering design but that such development would be very expensive.

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In clarifying Commissioner Sakahashi's impression, Mr. Wood reiterated his position that most of the property outside of a 6-acre area is definitely too steep to be developed and that the Trustees would not object to these areas being reclassified to the Conservation District. Nevertheless, the 3-acre yellow area on his map as indicated by Mr. Philip Won appears to be reasonable to permit an Urban development of estate-type lots with the exception of a one-acre strip of steep land which the Trustees are desirous of retaining as an open space recreational area to be an adjunct to the estate lots. However, unless this recreational area is retained in the Urban District also, the entire development would not be economically feasible.

Mr. Wood agreed with Vice-Chairman Tangen that the residents in the area brought to the legislature's attention the area now under petition and that House Resolution No. 273 is specifically confined to the zoning of these lands.

Mr. Singleton Cagle, resident of Huelani Drive, testified that the residents of this area were interested in negotiating with the Estate for the purchase of the rear lots because they were terrified of having a contractor back there moving the huge boulders, but not at the selling price offered by the Estate, which in his particular case was \$15,000. He then refuted Mr. Wood's statement that the Estate's purpose was to permit this land to be accessible through each individual lot and thereby rendering the vacant urban land as being developable. Mr. Cagle clarified that nearly every lot on Huelani Drive contains a house which stretches from approximately 6 feet on one side to 6 feet on the other, and that the rear lots could be utilized only as gardens if purchased by these residents. In addition, the Aalii Street reserve presently contains many huge boulders and that the development of an access would require a great engineering effort. In closing, Mr. Cagle stated that the residents of the area strongly urge the Commission to rezone the area to a more appropriate classification, that of Conservation.

Since there was no further testimony, the Chair entertained a motion, at which time Vice-Chairman Tangen moved that the petition be approved in accordance with the staff's recommendation.

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The motion was seconded by Commissioner Wung and carried as follows:

Ayes: Commissioners Mark, Kido, Wung, Sakahashi, Napier, Vice -Chairman Tangen, and Chairman Inaba.

Nay: Commissioner Yamamura.

PETITION BY LAND USE COMMISSION (A71-314) TO RECLASSIFY APPROXIMATELY 38.4 ACRES FROM URBAN TO CONSERVATION AT KAHALUU, OAHU

Mr. Fujimoto presented the staff memorandum recommending approval of this petition initiated by the Commission (see copy on file). He reoriented the Commission to the area under petition on the maps displayed.

In reference to the staff memorandum, Mr. Stephen Miyagawa, who intends to develop the subject property, made the following observations:

1. drainage problems--Kahaluu residents in the area are now experiencing runoff from rainfall because of sub-standard streets (no sidewalks or curbing) and inadequate drainage systems. In the event the proposed subdivision is developed, the residents in the area below the subject 38.4 acres will no longer be subjected to flooding due to installation of adequate drainage systems and proper channelling.
2. pumping of cesspools--This problem can perhaps be attributed to the fact that they were inadequately constructed. The property owners in this area contracted to build their own homes and to provide the cesspools. Moreover, half of the lots in the adjacent subdivision did not require any cesspool pumping at all last year.
3. initiation of petition by Land Use Commission-- Inspection of Land Use Commission and City Planning Department records indicated subject property as being zoned Urban--10,000 square foot lots (R-3), respectively. He pointed out that the property

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owners and developers relied on information supplied by these governmental agencies only to find that a short time later this Commission had initiated a petition to rezone the land to the Conservation District.

4. statistics (authorization of 4,500 single-family units)--He emphatically stated that a thorough analysis as to the location of these 4,500 units should have been conducted, as the construction of these units probably was undertaken within the city proper only.

Attorney Chuck Mau, representing Wadco, Inc., indicated that he had no new evidence to offer and testified as follows:

1. The staff memorandum should have included scientific data so as not to be "slanted" against the property owners.
2. The services of an engineer were not engaged to show how the so-called hazards could be solved or alleviated because of the financial situation of the company.
3. The City Planning Commission had previously deferred action on this matter and required Mr. Stephen Miyagawa and Lewers & Cooke, Inc. to submit a soil report. This report is now on file with the City Planning Department and seems favorable for the development of subject property.
4. The public will have "another day in court" before the City Planning Commission when this matter will be reviewed by the Sewer Department, Traffic Department, Board of Water Supply, Department of Health, etc., relative to the question of subdivision and zoning.
5. As a small company with no borrowing power, Wadco, Inc. has not been able to develop the land. Furthermore, this company does not possess

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the funds to acquire any more land and will probably no longer remain in the developing business because financially it cannot stand the stiff competition against the other developers and landowners.

6. Lands in the Kahaluu area can be developed as evidenced by an article that appeared in the March 30, 1972, Honolulu Star-Bulletin entitled "New Zoning for Kahaluu Favored" which reported that the City Planning Commission had approved a change in residential zoning for 7 acres to permit a housing project.
7. The property owners desire to recover a portion of the purchase price for this land since this Commission designated approximately 100 acres into the Conservation District in 1964. The property owners will suffer financially if subject area is not retained in the Urban District.

Mrs. Lois Fleming, Public Affairs Chairman of the Kaneohe Outdoor Circle, subsequent to being sworn in by Chairman Inaba, submitted that she resides makai of Kam Highway on Miomio Loop and that her property is at the mercy of runoff from the area situated above from just an ordinary rainfall. Mrs. Fleming read into the record a letter addressed to City Planning Director, Mr. Robert R. Way, from the USDA Soil Conservation Service, which indicated that the soil of subject land is rated as having severe limitations for homesites; that much of the land contains slopes of 30 percent or more; and that the high rainfall in this area could cause severe erosion and water pollution if the land is left unvegetated for any length of time.

Relative to the variations in pumping frequency of the cesspools, Mrs. Fleming explained that a cesspool that is operating ineffectively and overflowing is often left to run over and seeps through drainage holes in retaining walls on Iuiu Street. The cesspool water drains into the catch basins and eventually into Kaneohe Bay. In closing, Mrs. Fleming recalled that at the May 7, 1971 Wadco, Inc. public hearing, she and Mr. Joe Harper of Hui Ko'olau had requested this Commission to downzone the property now under discussion.

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Commissioner Kido commented that Mr. Mau had made refernece to a soil report prepared by a soils engineer as requested by the City and County of Honolulu and that it was not a soil conservation report by the USDA as indicated by Mrs. Fleming.

Under questioning by Commissioner Kido, Mrs. Fleming reported that a flood control project is being planned for the area surrounding the Hygienic Store but there are no plans for such a project or relief in sight for the properties in the immediate vicinity of the lands under petition, nor are there any plans for street improvements or new drainage systems for the existing roadways. Furthermore, there can be no adequate drainage systems to take care of the runoff until a sewer system is installed and even that could not handle all the surface runoff. For this reason, the vegetation in the area is very valuable and should not be uprooted and covered by non-permeable material.

Vice-Chairman Tangen noted that this matter had been publicly brought to the attention of Town Properties, Ltd. and Wadco, Inc.; a combination of factors such as rainfall and drainage problems, soil conditions and pollution of Kaneohe Bay constitutes substantial evidence to negate the continued Urban designation of this land; and upon field investigation of the land and data furnished by the Land Use Commission staff, other governmental agencies, and residents of the area, there have been valid changes since this land was originally designated Urban to justify the reclassification to Conservation. He then moved that the Commission accept staff's recommendation to amend the district designation of the subject property from Urban to Conservation.

The motion was seconded by Commissioner Napier and defeated with the Commissioners voting as follows:

Ayes: Vice-Chairman Tangen, Commissioners Napier, Mark, Kido, and Chairman Inaba.

Nays: Commissioners Sakahashi, Wung, and Yamamura.

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PETITION BY HAWAIIAN HOMES COMMISSION (A71-316) TO RECLASSIFY APPROXIMATELY 76.5 ACRES FROM AGRICULTURAL TO URBAN AT NANAKULI, OAHU

Pursuant to delivering the staff memorandum recommending approval of this petition (see copy on file) and upon questioning by Commissioner Napier, Mr. Leong informed Commissioner Napier that the City Planning Commission has recommended that the Land Use Commission defer action on this petition pending a review of the existing General Plan but that the City Planning Commission has not indicated how soon this review will be undertaken.

Vice-Chairman Tangen was of the opinion that the recommendation of the City Planning Commission would reverse the present procedures for processing a boundary change petition in that the petitioner would first have to go to the City without any prior action by the Land Use Commission.

Mr. Richard Paglinawan, Deputy Director, Department of Hawaiian Home Lands, stated he had no comments to present.

Thereupon, Commissioner Napier moved that this petition be approved as recommended by staff. The motion was seconded by Commissioner Mark and unanimously passed.

MISCELLANEOUS

STATUS OF DEVELOPMENT - U. S. FINANCIAL & THE HAWAII CORPORATION

Mr. James Schuler, Vice President of U. S. Financial, submitted that the property under discussion comprises approximately 398 acres, of which 176 acres are zoned Urban. U. S. Financial became involved in the property in September, 1970 and purchased it in September, 1971. Previously, the joint venture on the project consisted of U. S. Financial and Shelter Corporation. However, U. S. Financial and The Hawaii Corporation comprise the present joint venture for this project and are proceeding with plans to develop some 1,200 low and moderate income housing units for the Waianae area. Mr. Schuler then introduced Mr. Winfred Wong, project consultant.

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In addressing his testimony to the Commission, Mr. Winfred Wong offered the following:

1. The main objective of this joint venture is to provide low and moderate income housing for the Waianae coast up to Makaha and to realize an adequate return for the investment.
2. To achieve this objective, the program entails the development of a complete community; namely, 1,200 housing units for low and moderate income families, a shopping center, a community center, and a progressive day-care center (U. S. Financial has been very successful with this type of day-care facility on the mainland).
3. The joint venture has decided to take the PDH approach in order to effect a better design and to preserve the natural environment. To this end, an in-depth analysis and study of the different engineering aspects of the project have been completed.
4. Lewis Ingleson and Associates have been retained as the architect for this project.
5. The engineering firm of Sunn, Low, Tom & Hara has been retained as the civil engineers.
6. At the City level, the property owners have met with the City Planning Department to learn of on-going developments in the area and the different criteria regarding housing developments for the specific area so that the proposed project will conform to the general surroundings and overall picture of the Waianae coast area. They have also met with the Department of Public Works to review the criteria for drainage, sewage, and roadways; Department of Parks and Recreation; and Department of Traffic.

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7. At the State level, the property owners have met with the Department of Transportation since one of four alternate highways going through this area will affect the land under question; Department of Education to discuss the requirements for establishing a school and specific locale of the school for this area; and Executive Officer of the Land Use Commission.
8. The Navy is finalizing documents for the transfer of the Naval road stretching from Farrington Highway to the Naval Ammunition Depot to the State. This roadway will serve as the access to the subject site.
9. Property owners have also contacted the Soil Conservation Service.
10. In February, 1971 the property owners and architect met with various Waianae civic and community organizations, Model Cities planners, and the Waianae District Neighborhood Planning Committee to familiarize them with the development and also to learn of the type of housing desired by the Waianae residents.
11. FHA was contacted to explore the various programs available. Mr. Bill Cook of the Governor's office was also approached. The property owners are presently preparing data to be forwarded to the Hawaii Housing Authority for their review.
12. Discussions were held with developers of projects in the area, particularly Herbert Horita in order that the proposed development will be in conformance with existing ones and will be beneficial to the Waianae residents.

In response to questions raised by the Commission, Mr. Wong reported that he was retained as project consultant in June, 1971. The total project will consist of 1,200 units to be constructed in three phases. Mr. Wong was not able to quote a specific price for the units but stated that the price will have to meet FHA standards.

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Mr. James Schuler then commented that a formal PDH will be filed within the next 90 days. However, he was doubtful that the processing of this application by the City Planning Department, City Planning Commission, and City Council could occur within the next three to four months. Mr. Schuler apprised the Commission that a pre-PDH (not a formal PDH application) has been filed with the City Planning Department.

Regarding Vice-Chairman Tangen's inquiry as to whether the property owners had failed to follow through with a PDH filed with the City Planning Department in March, 1970, Mr. Schuler answered in the negative. U. S. Financial did not acquire an interest or an option to purchase the property until September, 1970 and acquired the property a year later (September, 1971). They had a one-year option in which to submit an application and pursue the project. Therefore, this year was spent exploring the different master plans in an attempt to find out which would be the most feasible by working with the Federal, State, and County agencies with respect to drainage, roads, traffic, etc., that would have to be incorporated in a project of this size. Mr. Schuler assured the Commission that if the property owners were given additional time for the successful development of this property, this Commission would not later be confronted with another planning or engineering consultant firm to undertake the development of this project, as U. S. Financial is an extremely sound financial institution. In addition, a substantial sum of money has been expended in the planning of this development. Moreover, the property owners have no intentions of slowing down in their efforts to obtain a PDH and have every intention to develop the site as represented to the Commission today.

Since there was no further discussion, Vice-Chairman Tangen moved that "we request U. S. Financial and The Hawaii Corporation to appear at the first Oahu meeting after four months from today to give us a further progress report." The motion was seconded by Commissioner Wung and unanimously carried.

STATUS OF DEVELOPMENT - PUAHALA COMPANY

Mr. M. L. Dayton, President, Friendly Isle, Inc., accompanied by attorney Paul Lynch expressed his appreciation to the Commission for taking this matter up today since an extension of time was granted on February 4, 1972. During this period he pursued the different avenues for the financing of this project which may result in a joint venture. As of this date, however, the only positive action that has transpired is the approval of the renewal permit for the dredging by the Corps of Engineers. The next step would be to obtain an approval from the Department of Land & Natural Resources. He then requested another extension of four to five months in which to work out other details.

Under questioning by Vice-Chairman Tangen, Mr. Dayton reported that since his appearance at the Commission's meeting last November, he has approached and attempted to interest a company in financing the project. It is going to cost approximately \$5 to \$6 million for utilities, drainage, roads, etc. Mr. Dayton admitted he had considerable difficulty in securing an interested party, as the interest in purchasing and developing property in Hawaii has decreased over the past year or so. He then stated that he was not able to reveal the name of this company because it has only expressed an interest and not fully agreed nor committed itself to the joint venture.

In apologizing to Vice-Chairman Tangen for having left the impression at the November meeting that the financing for this project by this date would have been secured, Mr. Dayton commented he had only represented at that time that additional time would be required to secure an interested party that would finance the project. Hopefully, something in this regard will develop within the next three to four weeks. To date, approximately \$1½ million have been expended, but the present partners do not have the funds to proceed with this development. In addition, he did not anticipate that the subject property would be sold. The party desiring to enter into the joint venture will have to do so under the existing legal arrangement.

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Replying to Commissioner Napier's query, Mr. Dayton agreed that another extension of four months would suffice as previously mentioned. In the event that anything takes place within the next four months, he would forward this information to the Commission.

Thereafter, Commissioner Napier moved that the property owner/developer be granted a four-month extension. This motion was seconded by Vice-Chairman Tangen.

Commissioner Sakahashi wondered whether this matter could not be handled through correspondence between the Executive Officer and the property owner.

The Executive Officer, Mr. Fujimoto, then reapprised Commissioner Mark with the action that had occurred, i.e., in November, 1971 the Land Use Commission had voted to defer any action on the subject property to allow the property owners sufficient time to come in with a definite plan for the successful development of subject property.

Commissioner Mark was of the opinion that in view of the testimony presented today, the Commission may assist the developer in arriving at a conclusion by initiating a down-zoning petition at this meeting. However, Commissioner Kido and Vice-Chairman Tangen felt that a downzoning action would not be proper at this time in light of the fact that the developers are already under pressure to realize the final development of their project and that there might be some positive results in this regard within the next several weeks.

Vice-Chairman Tangen then stated his position that if substantial progress is not made within the next four-month period, he would personally make a motion to downzone the property to its original land use classification.

Subsequently, Commissioner Napier amended his motion by moving that if satisfactory evidence regarding the progress in the development of subject property is not submitted to the Commission within the next four-month period, the owner/developer appear at the Commission's meeting four months from this date.

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The motion was seconded by Vice-Chairman Tangen and carried as follows:

Ayes: Commissioners Wung, Sakahashi, Yamamura, Kido, Napier, Vice-Chairman Tangen, and Chairman Inaba.

Nay: Commissioner Mark.

TENTATIVE SCHEDULE AND ADJOURNMENT

The Commission decided to conduct its next meeting on April 21 in Kahului, Maui. Thereafter, the meeting was adjourned at 12:30 p.m.