

STATE OF HAWAII  
LAND USE COMMISSION

1:00 P.M. Meeting

August 29, 1969

Kainaliu, Kona, Hawaii

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CHAIRMAN CHOY:

May I have your attention please? The meeting will come to order.

I would like to call on Reverend Bouchard to say Grace.

REVEREND BOUCHARD:

Gracious and gentle God, Creator of all that is with us in this world . . . universe . . . human beings and (inaudible) . . . it is to be that we would lift up our hearts and minds, first to give Thee thanks for all Thy creation and secondly, to ask Thy blessings upon this meeting, upon the Commissioners of the Land Use Commission, upon the people that have come to make their special petitions, and upon those who are interested people . . . the general public. We would pray, gracious God, that all of us may set our hearts right, that our attitudes may be such that is reasonable to all. We pray all of this with thanks to Thee, in God's name. Amen.

CHAIRMAN CHOY:

Amen. Would you please come in and sit? Before we start with our hearing, I'd like at this time all those who'd like to testify but who are not attorneys, would you rise and be sworn in? All those who wish to testify but are not attorneys. Do you swear that the testimony you are about to give to your Land Use Commission is the truth, the whole truth and nothing but the truth, so help you God?

RESPONSE:

I do.

CHAIRMAN CHOY:

Thank you. I'd like to start the public hearing with A69-219 which

CHAIRMAN CHOY (Cont'd.)

is Hedemann.

MR. DURAN:

Gentlemen of the Commission. (The August 29, 1969 staff report re: A69-219 - Wattie Mae Hedemann, was read verbatim.) I'd like to call your attention to the district map. The white area represents the existing agricultural districts. The green area is conservation. The areas shown in pink are existing urban districts. The ocean. Kailua Airport. Town of Kailua. The property in question is this yellow area shown on the map. Let me call your attention to this larger map over here, the tax map. Here's Kailua Bay. The road to the airport. Kuakini Highway. The red represents the existing urban district. This area is in agriculture. And the property in question is shown in this yellow. The parcels that we talked about, 19 and 29, make up this whole area, and I believe that it was the intent of the petitioner to have this whole area considered, not just this one . . . (inaudible) . . .

We did bring a map with us from the Transportation Office. I'm not sure whether you can see it or not but again the red line is Palani Highway going mauka. This is the blue line to the airport . . . to the new airport and this will go to the old airport. Now it's proposed that the Keauhou Road be extended, and this green parcel is the property we're talking about. Now one alignment curves down . . . this heavy black line . . . and the other alternates go practically through the property and, as I say, it's about a quarter of the lower portion. That right of way hasn't been fixed. I understand they will have a hearing soon on that for possible alignment.

Are there any questions?

CHAIRMAN CHOY:

Do the Commissioners have any questions?

COMMISSIONER:

Have you asked the petitioner for a projection?

MR. DURAN:

No, we have not asked the petitioner for a development plan.

COMMISSIONER:

How can the County approve a designation without any definite plan?

We've given so much urban area right now and we just keep on adding all the urban areas without any County's planning.

UNIDENTIFIED:

In this particular case, this proposal seems to be most proximate to (inaudible) everything, and it did not seem . . (inaudible) . . . (inaudible) . . remote area in which some applications . . . which the bulk of the applications (inaudible). And again Craig did it on a 10 year projection, as your regulations state, and we felt that certainly within the 10 years this area, with its proximity to the beach, is a practical, reasonable request.

COMMISSIONER:

Now the petitioner is asking for commercial zoning in that residential . . . is that right? Right in the heart of all the residential. What's your criteria for commercial zoning?

UNIDENTIFIED (PETITIONER):

We find we have a lack of commercial . . . we're starting to get it. And we are also on the north side of Palani . . . we're entertaining an application for additional commercial areas. I think when we complete our (inaudible) or whatever that plan turns out to be, there will be a sound and a fair (inaudible) pattern. This was not a (inaudible) project.

COMMISSIONER:

What about the Lilioukalani trust area. We've had so much urban areas.

PETITIONER:

That's the area that I mentioned; we're entertaining to change to commercial.

CHAIRMAN CHOY:

Excuse me. What is your consideration about the highway alignment? Do you anticipate any decision on the highway alignment in the very near future?

UNIDENTIFIED:

The job plan generally shows the mauka side and although the alignment has been (inaudible) generally through there and we do appreciate the concern that Mr. Duran expressed in his study of our acquisition, but putting it all together, it was the Commission's recommendation . . (inaudible) . . We did attempt to try to be reasonable about it. The paragraph mentioned about the water is only a portion of it. Rather than ask the applicants if they would come (inaudible), we decided . . (inaudible) . .

CHAIRMAN CHOY:

On the map, the 200 feet elevation . . . would it take in approximately . . . approximately how much of that property?

UNIDENTIFIED (Female):

It's 500 feet across at the bottom.

CHAIRMAN CHOY:

No. The elevation.

COMMISSIONER:

Right. Draw the line on that other map.

PETITIONER:

Well, our toehold about 200 feet across is about the two-thirds mark  
(inaudible) somewhere about here.

CHAIRMAN CHOY:

The water would be available up to that . . . ? Any questions, Commissioners?

COMMISSIONER:

One question about water.

CHAIRMAN CHOY:

Yes.

COMMISSIONER:

I understand that you're having trouble with water, right?

PETITIONER:

Right. We always have. But the Department of Water Supply mentioned  
that it could keep a reserve . . (inaudible) . . Water is adequate up  
to that particular . . (inaudible) . .

COMMISSIONER:

Is it coming down Palani Road or is it coming like . . . ?

PETITIONER:

This would be from the other side.

COMMISSIONER:

Kuakini?

PETITIONER:

Yes.

COMMISSIONER:

Then you have to put in a new (inaudible).

PETITIONER:

Well, should subdivision occur . . . that is a point at which the (inaudible) conditions of the Department of Water would have to be met by the developer. Otherwise, it would . . . let's assume that this rezoning went through. You could not have something like this if they did not provide adequate water, so they would have . . . the developer would have the zoned property which he could not subdivide . . (inaudible) . . water condition.

COMMISSIONER:

But . . (inaudible) . . in the stage to put in all these C.I.P. projects into the Kona area? Most of your main lines are all provided by the State. I mean, these are some of the setbacks . . . The developer is putting in those lines, alright, but you're always asking the State to participate.

PETITIONER:

. . (inaudible) . . this State water high was a proposal many years before . . . way before . . . 4 or 5 years ago.

COMMISSIONER:

But let us assume that you have a new highway going through there. I'm quite sure that the State has to put in that main trunk line.

PETITIONER:

Right. . . (inaudible) . . about the landmarks. Is that what you mean?

COMMISSIONER:

I'm talking about the State participating in all this water development. Because we are urbanizing now that area . . .

UNIDENTIFIED:

Mr. Chairman, I think if we listen to the petitioner, she might have some of the answers that we . . .

CHAIRMAN CHOY:

Well, let's not jump the gun. We . . . Rom, are you . . . are the Commissioners through asking questions?

COMMISSIONER:

In your land use . . . detailed land use plan for that parcel, what kind of development do you envision over there? Housing or commercial development or . . . ?

PETITIONER:

In Kona the general plan was made up . . (inaudible) . . urban and relates it in very general terms which pretty much allows the County to shift, rearrange or arrange the best land use patterns. And the Commission felt that the applicants were within those guidelines. So it does fit the general plan as far as . . (inaudible) . . is concerned.

CHAIRMAN CHOY:

Any questions? The County has seen fit to recommend zoning of this property, but they would have to meet your criteria for an ingress.

PETITIONER:

Yes.

CHAIRMAN CHOY:

And he would be subject to all of those conditions.

PETITIONER:

Yes.

CHAIRMAN CHOY:

Rom, where is that road that we drove up on?

MR. DURAN:

This is again the road to the airport, Kuakini, and Palani Road. The filling station is on the corner on the mauka side and then this is the



MR. DURAN (Cont'd.)

road that we drove up. This is the area that's being cleared.

CHAIRMAN CHOY:

And that paved road starts at what point?

MR. DURAN:

Approximately . . . well, the (inaudible) paved road ended here. We went into the stone and lava in here. This does not exist. It's merely a right of way. I don't know whether that's a County right of way or whether that's a government . . .

CHAIRMAN CHOY:

Old road.

COMMISSIONER:

The road that you went on, Duran, wasn't it a very substandard County road?

MR. DURAN:

Very substandard, yes. Strictly one way traffic.

UNIDENTIFIED:

Twenty-five to forty feet wide. Definitely inadequate for use.

CHAIRMAN CHOY:

Donald, you . . . in other words, you folks at the County have recommended rezoning but you have substandard roads and no road up to the property. You have no water to it, and you still recommend zoning that . . . even though it will not be useable according to your standards?

DONALD:

Until the other improvements were met.

CHAIRMAN CHOY:

If that highway went through, they would be much better off.

DONALD:

Right now they would have to use that old . . .

CHAIRMAN CHOY:

I mean, you wouldn't let them . . . you wouldn't let them use it because . . .

DONALD:

It's inadequate. And right now they could not because of the water situation, but the . . . (inaudible) . . .

CHAIRMAN CHOY:

Any other questions? If not, would the petitioner like to come forward?

PETITIONER:

Mr. Chairman, Commissioners, ladies and gentlemen. I don't think there's anything else that I can add to it except that this land is owned by Tommy Shimaru and Red Hunt, and I don't know if you're aware of the (inaudible) that Tommy Shimaru has had trying to locate a Volkswagen dealership building in Kailua-Kona, but I have some letters here showing that he has been working on this project for almost 2 years and he has had a substantial volume of Volkswagen people to (inaudible) for another 2 years because he's had difficulty in finding a suitable location.

We have not submitted any plans, it's true, because we felt it would be up to the Planning Commission to agree on what we should put into the area and work with them on a general plan. I don't know if it has been discussed, but at the last Land Use, it was mentioned by Bill that the corner of this site which I (inaudible) is under consideration right at the moment . . . the lower half. This is (inaudible) such property we're

PETITIONER (Cont'd.)

discussing. The blue in the corner is now being discussed as a possible site for the relocation of a post office and a First National Bank. Across the street, they're also proposing a commercial building site here, approximately 3 acres of the Lilioukalani Trust. So under the present zoning, we could continue in leaving the piggery there, but I thought Dr. Campbell might possibly mention because he has been up to the piggery site, and the smell . . . everything . . . might present problems even to the Tradewinds Hotel which is just a short distance away. And with it zoned agricultural, . . . would you like to see where that . . .

UNIDENTIFIED:

Well, as anybody can tell when you drive up there, the smell when the tradewinds are blowing . . . (inaudible) down to the hotel. I don't know why they call it the tradewinds because . . .

PETITIONER:

But we would appreciate having it urbanized so that we can work on a master plan with the Planning Commission on putting in the commercial to take care of the Volkswagen dealership if that is approved for commercial and whatever other use might be best suitable for the area.

Thank you very much.

CHAIRMAN CHOY:

Thank you. Are there any questions the Commissioners would like to question the petitioner?

COMMISSIONER:

Well, I was just going to make a statement. You realize that this piggery is already located there. Even if you were to urbanize the area, I don't think you would be able to get the piggery out of there. You'd be working with that smell.

PETITIONER:

The piggery is under a month to month lease and they would move out any time we would give them 30 days notice.

COMMISSIONER:

Oh, I see.

PETITIONER:

So there is no problem there, but of course if we're not using the land, we felt that it may remain where it is because we haven't had it urbanized.

Another thing I should bring out that Mr. Red Hunt has been given notice that he has to relocate. There is a possibility that until they get heavy industrial area developed, there is a possibility he might ask the Planning Commission to relocate there temporarily; so there is great need at the present time, but this is not going to be without the Planning Commission's approval.

COMMISSIONER NAPIER:

When you say "they," who are "they?" The contractor?

PETITIONER:

Yes. He is an owner and . . . (inaudible) . . .

COMMISSIONER NAPIER:

You mentioned heavy industrial now. What do they plan to move in there?

PETITIONER:

They're putting the equipment there until a heavy industrial area could be established. And another thing, too, is that we were going to request of Lilioukalani that we would like to put in a road to what the government is proposing to condemn and see whether they would give us an easement

PETITIONER (Cont'd.)

until the road goes through.

CHAIRMAN CHOY:

I believe you heard Mr. Tong, that even if we should rezone this property, you would still not be able to use it, especially . . . I doubt if you could locate a facility like Volkswagen in an area where there is no ingress, so I don't know what you would be accomplishing.

PETITIONER:

This area here . . . it would take at least . . . about 6 months to a year before a Volkswagen could relocate in this area with Lilioukalani's permission. We would then ask for an easement and then he would then put in access immediately to be able to set the building. In the meantime, I think the C.I.P. budget is for . . . (inaudible) . . . so that it would all tie in at the same time . . . it would all be approximately the same time. There's a water line that has gone out to Palani in here. We would bring in whatever is required to get approval.

CHAIRMAN CHOY:

Any other questions?

MR. DURAN:

Mr. Chairman, I wonder if the petitioner could explain the total plan for the area. So far as I understand, it's just the Volkswagen proposal that we have at this time, for the lower portion of that property. Do you have any future plans for the area along the road?

PETITIONER:

Well, I have letters here from Belt and Collins and also from an urban planner who have said that they would undertake the planning and gave us an outline of the cost involved. And we would undertake the

PETITIONER (Cont'd.)

(inaudible) master plan. I believe we should be working with the Planning Commission in getting them to give us the approval of what should go in there instead of submitting plans that would not fit into this general area.

CHAIRMAN CHOY:

I see. You have 15 days to submit further evidence, and we will have to act on this within 45 to 90 days, so if you would please proceed as fast as you can with additional evidence.

PETITIONER:

More evidence?

CHAIRMAN CHOY:

I mean any further evidence to substantiate your case would be of help and you have 15 days to submit that. We will have to act on your petition within 45 to 90 days.

COMMISSIONER:

Mr. Chairman, may I suggest also that on that land on the State Highway Department proposing the alignment . . .

CHAIRMAN CHOY:

Well, if that's possible.

COMMISSIONER:

Well, I mean, we understand to say that they're going to do it, and then we find out that it's going to be entirely a different concept.

PETITIONER:

Is this request for an artist's sketch or just words on . . . just an outline of what we feel should go in this area?

CHAIRMAN CHOY:

I would say at this point any new evidence you can bring up will be to your benefit in convincing the Commission's decision whether they would go along with you or not. Okay?

PETITIONER:

Thank you.

CHAIRMAN CHOY:

Thank you. Then the hearing is closed on Mrs. Hedemann's, and we'll go on to A69-220, Northridge Estates.

MR. LEONG:

Mr. Chairman and gentlemen of the Commission. This is a district map of the area. Kailua is in here. Palani Road leads up north to a junction with the highway; approximately 1,000 feet north of the junction is the property in question, right here. On a larger scale, we have the junctions over here, the old (inaudible) highway in here. (The August 29, 1969 staff report re: A69-220 - Northridge Estates, Limited, was read verbatim. Please see file for said report.)

CHAIRMAN CHOY:

Any questions, Commissioners? If not, thank you. Are the petitioners here? Would you like to come forward and present your testimony?

MR. SCHULZE:

I'm Ricky Schulze. I am an attorney but that always puts me at kind of a disadvantage because people sort of are a little bit afraid of attorneys and don't like to be addressed by them. I kind of agree with you; I don't like to be addressed by them a lot of times. I want you to know that I'm not here as an attorney. I'm here as part owner of the parcel. Dr. Campbell and I, along with a very close friend from the Mainland who

MR. SCHULZE (Cont'd.)

lives in Northridge, California, own it. That's the reason I'm here today.

Being a lawyer though, I had to go about this the way a lawyer would and I looked in the statutes to see what's required . . . what is the policy of the Land Use Commission . . . what kind of things should I show in my application as a petitioner as to make the Commission listen to our application. And as I read that policy, it says that I've assumed the conditions and trends of development have changed since the present classification . . . have so changed that the present classification . . . (inaudible) . . . That's what I tried to show. I respect very much your staff. I can number its Executive Director among my friends. But I do think that the Commission in all fairness ought to judge the applications that come before it at least by the policy that the statute says and, of course, by the policy that you, the Commission members, set. Those are the only things that we, the public, have any access to and the only way I know of to grab an application to bring before you and to know what to show you in order to convince you, if I can, that our application is meritorious.

The staff has recommended its approval; the County has not, and while the County's reasons go directly to this policy which I have stated, although the staff's recommendations don't even discuss that policy but rather go off on some policy matters which I think they like to have, and perhaps some of us feel are relevant but really don't have much to do with the . . . (inaudible) . . . I will get to that shortly.

I'd like to point out a thing that I think is important in this application and yet doesn't get put in perspective very well. This parcel is



MR. SCHULZE (Cont'd.)

right at the top of the . . . right here at the junction of the (inaudible) Road and (inaudible) Highway and the Palani Road coming up to the highway . . . right at the beginning of the highway. All through this entire area are all sorts of non-conforming subdivisions . . . literally hundreds of lots all along here, everything along the highway, all the way up for several miles are in non-conforming subdivisions. Some very big ones out there being sold now. Very large subdivisions with 10,000 foot lots are being sold like hotcakes. These lots don't have water. They don't have amenities. They aren't really residential lots at all. They are speculative endeavors which depicts the land use in an unfavorable kind of way, the time long before the land use should be fixed. They're not lived on. They're not occupied. I want to stress this because I want you to know that I thoroughly disagree and I thoroughly agree with the staff's feelings about the subdivisions, and I agree with what I'm sure are your feelings. I don't like them. I think it's a shame that they were ever allowed to exist in the first place. I want to say that, too, because I want to make it perfectly clear that that's not what we're talking about here. I think you have to be very careful when you've got an undesirable kind of condition existing that you don't let your feelings about that . . . all of us feel that that should have never happened, and again, I agree with you entirely. But I don't think we should let that feeling overcome or interfere with what the needs really are.

These lots just don't fill any need except as far as there's a need for land speculation or lots. They don't fill the needs for residential lots at all. They don't give you a place to go and live. Even though they . . . (inaudible) . . . whereby you can get enough water from systems

MR. SCHULZE (Cont'd.)

to occupy at least a small house. Even so, they haven't been built on and they haven't (inaudible) because they just don't have water. So that while they fill statistics, these lots, and while they (inaudible) all the available small portions there are and all the ones that are on (inaudible); they make a very pretty statistical picture but they don't do a single thing for you about giving people a place to live. They just don't fill needs.

We have . . . and we're not talking about that kind of situation . . . this parcel that we have bought here and are working with is very close to this company, very close to Kealakakua School, and has water, it has electricity, it has telephone, it has all the amenities. It's not a (inaudible) type of subdivision we're talking about at all. Our intention is clearly and simply to put in half acre lots if we can, to put our wires on the ground, to make a nice subdivision that isn't terribly expensive now but if you approve it, 4 or 5 years from now it will be very expensive. Giving a nice place to live to people for what we think will be a reasonable price. One other thing should be said about these non-conforming subdivisions before we leave . . . (inaudible) . . . They do exist all along in here on both sides of the highway all the way up and whether we like it or not, they're there and they're going to be there for a long time to come. One thing they do which we simply can't deny is they do away forever with the . . . (inaudible) . . . that this is an agricultural area. It just isn't agricultural along that highway and it hasn't been for quite a long time and it's never going to be again. So just don't think it helps us very much to think in terms of agricultural districts where you have just hundreds and hundreds of small subdivision lots. They can't be

MR. SCHULZE (Cont'd.)

used for living and they can't be used for agriculture either.

We filed what I suspect is a fairly unusual application, only unusual in the fact that we went to some length, I think, to try to show exhaustively that the policy matters and the statutes that were adopted are met. I think we've done that, but if you would bear with me just a minute, since I worked so hard on the application, I'd like to just call forth or point out to you some of the things that are in it. I don't think . . (inaudible) . . because there were some sentences in there I thought were important that they did . . . I'd like to call those to your attention.

We have 3 exhibits that dealt with the initial question in the policy and that is that conditions and trends of development have some changed since adoption of the present classification. We feel that it's, of course, a little obscure, but I felt . . (inaudible) . . what we wouldn't have to show is that although this is an agricultural district, it's no longer useful for agriculture. At least, agriculture is not a very feasible kind of activity in that area. Now, our first exhibit was a letter from Amfac showing that they just couldn't make it with coffee farming in there. It was economically unfeasible. They sold out entirely. Now our second exhibit was fairly long and substantial report on this part of the United States Department of Agriculture Soil Conservation Service which establishes, I think, beyond any doubt that no type of agricultural zoning on this parcel is ever going to make any sense at all. The main problem there is that you can't use machines. You can't till with machines and if you can't do that, you might as well forget it. Finally, we went to the University of Hawaii extension service and we got a report from a professor there who's done very extensive work with coffee and other

MR. SCHULZE (Cont'd.)

agricultural developments in this entire area, and his report is on this parcel . . . not on the area in question, but on this parcel. All of our exhibits were. And he points out that he long ago had written a number of reports stating that agriculture could not continue in this area and that it simply was not economically feasible, and certainly coffee was out of the question and that proved later to be entirely true . . (inaudible) . . and there was no longer any further use for coffee at all in this area. Also, he pointed out the only possible thing you could do would be macadamia nuts, and . . (inaudible) . . Well, perhaps we engaged in a little overkill, but I think the point is made and the point that the policy says should be made, and that is that this land really doesn't make any sense as agricultural land. It just doesn't work for that purpose.

I took the other part of the policy which says that a proposed classification is reasonable to mean that we would have to show that the use we want to put this land to is an effective, adequate and proper use for this particular land in this particular place. To do this, our petition showed a few things about the land which I'd just like to call quickly to your attention. For one thing, the elevation is about 1,200 to 1,400 feet above sea level. The climate is perfect. Those of you who live in this area know that you almost have to be faced . . (inaudible) and everybody who knows a lot about it really wants to live there. That altitude is really very nice. . . nice and cool. The daytime temperatures are comfortable. Annual rainfall is about 50 inches, mostly at night time. Topographically, the land slopes gently, with the lower end towards the ocean so that if it were subdivided, each parcel slopes down in this

MR. SCHULZE (Cont'd.)

direction and each parcel would have a very nice and totally undestructured view of just miles and miles of coastline. The slope, however, is not at all steep, not enough to make development . . (inaudible) . . difficult. It's perched on the slope. I'm not trying to sell you lots here. I'm just trying to point out that this land's functional use . . . we're not talking now about classifications and plans . . . just functional use, is not agricultural. It's a perfect residential lot.

Now there aren't a whole lot of houses up in here. There are some older houses. There are a number of people who've lived here a few years. Most of the new subdivisions haven't been built . . (inaudible) . . to establish that this is the area in which the population will probably want to move. But the fact of the matter is, this population expansion takes place . . . and I think we all know this . . it's got to take place. Expansion in this direction out towards Keauhou is not really terribly feasible for any except rather wealthy people. It's just awfully expensive. Most of this land is owned by . . (inaudible) . . Most of it is also hot. Most of it is near the beach. And all of these facets make it almost impossible to get a piece of the lot or awfully difficult. And secondly, it's just extremely expensive. So that real growth for residential purposes really ought to take place in this direction, and surely as soon as word gets out on these conforming lots, they would probably begin to attract some people.

We do have exhibits showing that water is available . . (inaudible) . . a whole lot. We haven't had any problems with (inaudible), electricity, telephone and all the other things.

The Commission made a fairly short (inaudible) to our letters from realtors, and I suppose that's fair. They might perhaps be determined to

MR. SCHULZE (Cont'd.)

be somewhat (inaudible) or biased people, but on the other hand, it's rather difficult for me to show you a need for lots in this area unless I go to the people who are professionally engaged . . (inaudible) . . in those lots. I tried to find some impartial kind of university-like place where I could go and get that information to give to you, but one really doesn't . . . I did go through seven realtors . . (inaudible) . . each other and all of them wrote their own letters. I don't think they said anything that we don't already know anyway. Essentially, what those letters establish, and I don't really think it's subject to much argument, is this, that there is really substantial (inaudible) of persons employed or wishing employment in resort development . . (inaudible) . . for fee simple lots and reasonable prices and for immediate construction. The pressure is for a place to live and not for Mainland visitors to come (inaudible), go home and . . (inaudible) . . This (inaudible) is expected to continue and in the foreseeable future is expected to increase. There are no indicators of any kind on the horizon to indicate that this project is going to go the other direction. The population growth of Kailua is clear. It simply cannot be avoided. It's coming. You know that. Although a number of lots are available, they're almost all unsuited to development because they don't have water.

The location of the parcel is really ideal for anything. It's ideal for rapid commuting to Kam, to hotels that will be put up in this area, to hotels down in the Bishop tract. It's of course very close to Kealahou School. It is a nice location. It's not way out in the country. It's right in the path of all of the development that's got to come.

Now I've also included exhibits from engineers because I wanted to go

MR. SCHULZE (Cont'd.)

all the way with this. I felt it would be good to show that not only is it nice for residential purposes, but on top of that, the physically and geographically . . . what should be there. So we show by engineering statements and letters and those of the surveyor that the topography and drainage of such is ideally suited for residential purposes, and we showed that there would be no problems involved in construction, either of the roads there or the houses. Now if all that seems to seem a little unexciting and kind of mundane, I suppose it is, but it is what seemed to be required by the statutes and policy and what should be shown, and for that reason, we tried to show it.

Incidentally, and partly as an afterthought . . . not really necessary . . . the County, as you may know, requires for a rezoning that you secure the approval of all lot owners within a 750 foot radius of your parcel. This is not a rezoning and we're not required to do that, but we did it anyway and we submitted with our application all of the consents of all of the landowners and there are a considerable amount of them, just to show you that none of the landowners around have any objections.

When your staff recommended this approval . . . they assured me, by the way, that they do sometimes recommend approval . . . they really didn't say in their designation that we didn't . . . (inaudible) . . . In fact, rather grudgingly but at least honestly, they admit, I think, that we do fit there. It was one of their reasons that, well, it's not really so bad for agricultural purposes and . . . (inaudible) . . . fair soil and it might not be too bad for grazing. Incidentally, for grazing purposes,

MR. SCHULZE (Cont'd.)

that was specifically covered in the Soil Department report and the Department of Agriculture report, showing I think . . . (inaudible) . . . It's really not any good for grazing in any event. It just is too small and everything along here is too small. Along the highway, of course, and mauka is still used for grazing. The rainfall is heavier and the (inaudible) are bigger and they make some sense, but the . . . (inaudible) . . . there really isn't much sense in talking about agricultural use. Our report specifically dealt in this line. I don't think it can be contradicted by general kinds of references and I don't think that . . . really what the staff is saying is something different. If the staff is saying, look, we just don't want it turned into residence so keep it in agriculture . . . I mean, keep it in a designation that doesn't allow houses to be built on it. Then they're referring to the designation, agriculture. But for purposes, that is, for use like farmers tilling soil.

Your staff also suggests that some other parcels have been redesignated already, namely this one in (inaudible). I can't deny that. That's obviously true, but it certainly is not filling the need that is here and that does exist. They also discussed in a way that I can't really quite understand the fact that these non-conforming lots will some day require services. If you'll approve our petition, I'll hasten that. I'd love to respond to that but I just can't grasp it. We just don't have anything to do with those non-conforming lots. We're not hastening anything.

CHAIRMAN CHOY:

May I call your attention to the fact that . . . stick to your point on your parcel and . . . we all know about those non-conforming . . .

MR. SCHULZE:

This is a statement by the Commission staff in their report. I have



MR. SCHULZE (Cont'd.)

nothing to . . . I don't mean to try to tangle them, but I've got to. They're the only ones who recommended to you not to do this.

CHAIRMAN CHOY:

I'd like to cut into your dissertation. Rom, will you enlighten Mr. Schulze that it's not based on the fact that . . . what is agriculture or not. It's based on the fact that we have so much urban land that we can foreseeably use within the next 5 or 10 years.

MR. DURAN:

That's basically the point we were making.

CHAIRMAN CHOY:

Yes. And not the point that it's in ag or not. And . . .

MR. SCHULZE:

That's right. I agree that that's the point that . . .

CHAIRMAN CHOY:

I think you're hedging from that point that our staff has made a decision on the basis of need, and you're trying to say that this land is not suitable for agriculture. I'm trying to get that point straight.

MR. SCHULZE:

Right. I am for getting the point straight because this is what the statute says. Whether it . . . (inaudible) . . . is a very relevant kind of consideration. If that seems to be the kind of consideration that you want to take into effect and the staff . . . (inaudible) . . .

CHAIRMAN CHOY:

We would be most appreciative if you would stick to your subject matter.

MR. SCHULZE:

And get finished, right? I am . . . (inaudible) . . . I think one of

MR. SCHULZE (Cont'd.)

the final issues that the staff gave and something that is kind of hard to cope with is that . . . we're not asking to go to urban, incidentally. We're asking to go to rural. And one of their statements there was that your consultants are going some day in the future when they write the report to you, recommend that you not use rural classification any more. That's a pretty tough kind of policy for me to cope with, because it's not only . . . (inaudible) . . . and it's not published, but it hasn't even been done yet, so far as I know. I can't find any way to cope with a policy like that. I hope you really aren't going to adopt a policy of that kind without having it brought before you and considering it and letting it out to the public that wants to know about it so that . . . (inaudible) . . . if you're going to demolish the thing. It's not really a policy of this Commission yet, and I don't think it's fair for you to sort of subconsciously assume that it is. The fact of the matter is, let me just talk about a rural classification for a minute. Rural classification has to do with larger lots than urban, smaller than agriculture, for people to live on and do some kind of low grade agricultural work . . . their own garden, if they want to, or whatever. It came to pass not because somebody planned it that way but because people live outside of cities, and they always have lived outside of cities all over the country, all over Hawaii, and all over the world. We'll always have rural areas. You're always going to have people who want to live outside of town, who want a little larger lot, and don't want estates but want places they can kind of live in in comfort. And the problem with doing away with the rural classification comes glaring right at you just in that kind of case. Now we've . . . (inaudible) . . . best for residential purposes, needed for residential purposes, and useless for agriculture. It's not

MR. SCHULZE (Cont'd.)

really ready for urban development at all. To be perfectly honest about it, there are lots of small parcels out here, but that area is not ready for that. But if you only had that classification to go to . . . if you could only go to urban . . . then you'd have no control over the lot size. With rural, you have control over the lot size. You know that if you make a rural designation, we can't go in with anything smaller than half-acre lots. So I would think that . . (inaudible) . . Commission ought to consider very carefully whether it really wants to do away with that designation, at least until it gets some ability to handle an urban designation with some (inaudible) and get a little control over it. For that reason, I would hope that you don't follow this policy that they've decided should be adopted. You should consider it very carefully before you adopt it. This is a rural area. It's already a rural area, and for a fair amount of time, it's going to be one. And I ask you please for your fair and honest consideration . . (inaudible) . .

CHAIRMAN CHOY:

Thank you. Do the Commissioners have any questions?

COMMISSIONER WUNG:

I have one question. Mr. McDonald, what is the ag classification in the area?

MR. SCHULZE:

(Inaudible.)

CHAIRMAN CHOY:

Three acres.

MR. SCHULZE:

Three acres and surrounding it is A-1 (inaudible).

MR. SCHULZE (Cont'd.)

Well, we could never ask to go to Ag 1 on the County level because although we were going to it first, we found that we could not afford to put in underground wiring and underground utilities for one-acre lots.

COMMISSIONER WUNG:

That was just for my information.

CHAIRMAN CHOY:

Any other questions?

COMMISSIONER:

I'd like to point a question to Mr. Schulze and answer some of these questions about . . . these lands are not adaptable for agriculture purposes? Now there's a great shortage of guava. You've seen the newspapers? The demand for guava? Willing to pay 6½¢ a pound for guavas and they'll take them all. Now there's a couple of farmers planting guava and producing 10,000 to 15,000 pounds per acre. So when you say that they cannot grow guavas on this particular lot or parcel of land or . . . (inaudible) . . . then I would say this: if some of the farmers are ambitious, you could get plenty guava . . . (inaudible) . . .

UNIDENTIFIED (Female):

May I speak on that subject, because my husband has been trying to find someone to work for him here in Kona, and we cannot get workers to go up there and do ranch work, much less labor (inaudible).

COMMISSIONER:

Well, to answer that question, I think it still has to be a family type of operation. I mean, not everybody is agriculturally at home. With all the tourist talk, everybody wants the easy way out. They want to make the fast money.

UNIDENTIFIED (Female):

Mrs. Perkins has something to say. She has (inaudible) before that

UNIDENTIFIED (Cont'd.)

she has . . (inaudible) . . He is really not a (inaudible); he's a farmer.

He can't even pay the taxes.

COMMISSIONER:

He can't pay the taxes?

UNIDENTIFIED:

He's not paying them. She . . .

COMMISSIONER:

I suggest that you make a study of the guava culture.

UNIDENTIFIED:

. . (inaudible) . . take up a (inaudible) and put it in guava and  
then and find somebody to work for them?

COMMISSIONER:

No, what I'm trying to say is there are potentials in the guava (in-  
audible). There's a lot of demand for . . .

UNIDENTIFIED:

But those people won't go out and work, you see. They can . . (in-  
audible) . . the Department of Farm and Labor. If they can collect on  
the government, they won't work and . . . we're trying to some someone  
to work on our farm around our house. . .

COMMISSIONER:

Agreed. Agreed. We've having a shortage of labor because of the  
. . (inaudible) . . the easy way out. The land developer wants to make  
money on the land. Everybody's speculating. But I think our prime pur-  
pose here is to preserve some of the agricultural lands. This is our main  
point. Now the developer is saying that it is not good for any agricul-  
tural purposes . . . it's a very misleading statement, because . . .

UNIDENTIFIED:

I don't think it's feasible though. That's what . . .

COMMISSIONER:

No. You may say it's not feasible, but if you actually go into it, the possibilities are there. Now I see a lot of guavas growing very nicely there . . . on one of my observations. This popped into my mind. Now with all the demand for guava and if the County can produce 10,000 pounds an acre and get 6½¢ a pound, which is a fantastic return for fruit.

UNIDENTIFIED:

This is seasonal though. This is the problem.

COMMISSIONER:

That's correct. You have two picking seasons -- winter and summer.

I'm just trying to point out to the Commission that . . .

UNIDENTIFIED:

No, but then you'd have to truck it out of here and then you'd have to fly it over to Honolulu, and it's not feasible.

COMMISSIONER:

You can process right here. You can make all the (inaudible).

UNIDENTIFIED:

Where?

COMMISSIONER:

There's a processing plant right here.

CHAIRMAN CHOY:

May I interrupt? We'll stick to the question on hand and . . .

Are there any other questions?

COMMISSIONER WUNG:

McDonald didn't answer my question.

MR. McDONALD:

It's three acres.

COMMISSIONER WUNG:

It's all of the three acres?

MR. McDONALD:

No. Just a portion of one diagonally across . . (inaudible) . .

CHAIRMAN CHOY:

All of it is three acres?

MR. McDONALD:

Yes.

CHAIRMAN CHOY:

Thank you.

COMMISSIONER WUNG:

Thank you, Mr. McDonald.

COMMISSIONER:

Is that (inaudible) parcel also two acres?

MR. DURAN:

The lower parcel is just a small part of the mauka parcel so I'm sure that . . . That's just a small parcel of a very large ranch parcel coming down the highway, but it was zoned according to these mauka characteristics and not to these . . (inaudible) . .

CHAIRMAN CHOY:

Mr. Schulze, you have 15 days to submit additional evidence, and we'll have to act within 45 to 90 days. So we'll keep you posted.

MR. SCHULZE:

Thank you very much.

MR. DURAN:

Mr. Chairman, may I ask one question? As I understand, Donald, there isn't a County master plan for that general junction and the north area. Is that true?

DONALD (?):

This is including the general plan . . (inaudible) . . but it hasn't been broken down any finer than that so that's . . (inaudible) . .

MR. DURAN:

Does the Commission have any visions of a change in this agricultural designation along the road in this general area?

DONALD (?):

Eventually we have to update this and we're gradually getting to the point where we are . . . you know, we're compiling our land use (inaudible) in another two months and . . .

MR. DURAN:

This is a current project right now that you're doing so that ultimately you will . . .

DONALD (?):

Correct. Right.

MR. DURAN:

Do you have any idea of what your time table is?

DONALD (?):

Probably this year sometime.

COMMISSIONER WUNG:

Donald, one more question I want to ask you. With the State proposing the Honokaa Highway down below, would you consider the growth factor in that upper lands a tremendous growth? What I'm trying to say is, with that highway going to Kawaihae on the lower portion . . . you know the



COMMISSIONER WUNG (Cont'd.)

airport road?

DONALD (?):

Right.

COMMISSIONER WUNG:

My question is, will your extension be on that old road? This is the question that I think we should really take a good look at.

DONALD (?):

Right now there's . . . it's only at the discussion stage and Palani, as you all know, is inadequate with the school and the urban center around it.

COMMISSIONER WUNG:

Where will you say your extension will be actually? You know, you've got to have . . .

DONALD (?):

Alright, the Directors . . (inaudible) . . below the projected Honokaa . . (inaudible) . . the area below that ultimately urban. That, of course, opened up a lot of acreage. As far as the upper portion is concerned, the fact that there was a denial by our Commission for urban designation by (inaudible) Estates would indicate to you that the feeling was that it not be urban in that area.

CHAIRMAN CHOY:

But you recommended rural . . .

DONALD (?):

. . . (inaudible) . . . the recommendation to rural, recognizing the . . (inaudible) . . it's not really an urban district; it's not really an agricultural district. It needs that in between type of designation to be

DONALD (?) (Cont'd.)

most appropriate.

CHAIRMAN CHOY:

Donald, can you get your Commission to look into this area within the 90 days before we take action, to give us some guideline? We would certainly appreciate it if you could.

COMMISSIONER:

Not only for that particular lot but for that whole . . . look at that map. . . (inaudible) . . chopped up.

DONALD (?) :

To answer your question, Commissioner Wung, . . (inaudible) . . mauka of this winding road is 3-acre zoning, and the 1-acre zoning is . . (inaudible due to other people talking) . . includes a small triangle here, so one acre is this way, and the rest is . . (inaudible) . .

MR. SCHULZE:

I just wanted to add . . . in response to the question about this new highway along the coast . . (inaudible) . . although it's so expensive already along in here that whatever's going to go in almost has to be urban. The point simply is that that's why your rural larger lots . . (inaudible) . . has to go out in this direction. It can't go any place else. That's all I wanted to say.

CHAIRMAN CHOY:

Mr. Schulze, are you saying it's not . . . how much? Are you talking about \$17,000 per lot?

MR. SCHULZE:

With underground utilities, you probably are. That may be expensive to you and me but when you think about it . . .

COMMISSIONER WUNG:

Do you think a poor man can afford that?

MR. SCHULZE:

Not very poor, but if you take a look at what else is available, we have to just define what we mean by poor. I wasn't coming to you with a claim that I was providing poverty level housing. I'm not. I can't. It just can't be done. The costs are so high for development that it cannot be done here. I'd like to do. I'd love to be involved in that but at some point the County regulations are going to have to be workable. If I were Boise Cascade, maybe . . . I don't know. It can be done but with the County subdivision requirements the way they are . . . They are tough. I like them the way they are, but they're not made for cheap lots at all. We're talking about \$17,000 and then down here, you're talking about 3 or 4 times that much already. So we have to kind of leave a blank on our (inaudible) . . .

COMMISSIONER WUNG:

Thank you, sir.

CHAIRMAN CHOY:

This concludes the hearing on Northridge Estates, and we'll go on to A69-224, C. Brewer and Company.

MR. DURAN:

Can we take a few minutes recess, Mr. Chairman, to allow our petitioners to . . . (inaudible) . . .

CHAIRMAN CHOY:

We'll take a 5 minute break.

MR. DURAN:

The areas in yellow are the areas contained in the petition for this

MR. DURAN (Cont'd.)

public hearing. We (inaudible) up our report so that we could (inaudible) to the areas as well as by the numbers. This is the urban area of Waipio. This is the Naalehu area. Here is the existing Mamalahoa Highway that comes around here to Pahala and back up to the volcano. (The August 29, 1969 staff report re: A69-244 - C. Brewer and Company, Limited, was read verbatim. Please see file for report.) Let me call your attention to the Naalehu area. You'll note that there is a definite line established by the path zoning of the Commission, including this area here, and basically, that was established by the proposed realignment of the bypass highway that was to go south of the town and then come back up and meet the existing highway. And so what happens is that if that bypass goes through, it does separate the proposed urban area from the existing urban area. I think perhaps this should be looked into in a little greater detail. We haven't had an opportunity to discuss this with the highway people to see whether there are any possible conflicts in purposes there.

Are there any questions?

COMMISSIONER NAPIER:

I have one. On page 9, it says here 11 kulianas. Is it 11 or 7?

It says here 7.

MR. DURAN:

Oh, I'm sorry. You're right. About 7.

MR. DURAN:

I stand corrected.

CHAIRMAN CHOY:

Any other questions? Thank you, Rom. Will the petitioners come forward?

MR. KAY:

Gentlemen, my name is John Kay. I'm Land (inaudible) Manager for C. Brewer and I have with me today Mr. (inaudible) who's our land manager, Mr. Cook who's our project manager and several other people here from the community.

The maps that you see before you and some of the slides that I'll show you represent a combination of several years of work and planning and economic study and large resource testing and development. Those of you that have reviewed the large plan called the C. Brewer Land Development Plan, 1969 . . . (inaudible) . . . will recognize it as an economic feasibility study. It started with an in-depth search of the (inaudible), not only the (inaudible) characteristics but the consumer characteristics, some of which are pretty interesting. And I'll show you on these slides. Along with detailed engineering, architecture and planning, financial studies by some top consultants, this work has been going on for about 5 years, and we have developed a report which we submitted to you to substantiate our economic feasibility. We know that you do see a lot of planners that don't have test behind them and some of them don't get off the ground. Well, my own personal philosophy is that the developers take that feasibility study and take it to a long-term lender and if he says we'll lend you the money, then he has a chance. . . (inaudible) . . . sent it to our lenders. They have, in turn, written a book on our book and said, yes, it is a very credible study. In fact, it's one of the most credible studies we've ever seen. They've underscored that by saying that they'll lend us the long-term money.

We, in our economic study, have not based any of our (inaudible) on County or State support. This is very unusual, but we've looked at the

MR. KAY (Cont'd.)

balance sheets for the County and the State and what was happening elsewhere, and we decided that it would be better if we prepared to do it ourselves and to help the long-term lender. It doesn't mean we won't come to you and request help, but we are able to do it as the plan is now configured by ourselves.

During this study, a considerable amount of consumer research was done. We knew if the visitor was happy, but we found that no one had really done much work in trying to learn whether the visitor was unhappy. So we decided to paint a profile on visitor dissatisfaction and find out what he didn't like and then design our plotting to fit these gaps in visitor satisfaction. And I'm going to show you some of the results of this because it will give you an idea of why we designed a regional resort concept rather than a destination resort. We found out, for example, that people don't like to spend their entire vacation in one destination resort per se. They like to see all the Islands. They like activity. They like entering the Islands via Hilo or . . . (inaudible) . . . of what Hawaii really is.

I'll show you some of the things on the slides. We found that the thing for us to do is to allow the visitor to spend one or two days in several resort environments and let them really experience what Hawaii is all about. This is one of the reasons why we bought the Volcano House, because we think that is an interesting experience. We don't expect long occupancies, but we think it's something that people can see. That's why we're doing some thing in Hilo, again, not a long-term stay. And that's why we're building 5 different resorts in the Kau area. They can

MR. KAY (Cont'd.)

just spend one or two days there on their first trip, and we'll have something different and exciting to see in both spots.

Now the reason the resort plan is designed so that it must be implemented so that much of our inventory is on the market at the same time. No single hotel can stand by itself. This is interesting for me to find out in consumer patterns because I'm used to building things as a developer and a physical planner, but I found out that we had to design an operational system to take care of them all the way through. And this is one of the reasons why we recently acquired a ground transportation company . . . we're in the wholesale travel business. So we have an operational plan that's more than just a physical plan.

I'd like to talk about a couple of things that we brought up earlier at this meeting because I think they are very important. Number one, agriculture. The only land that we have studied is land that is non-productive agricultural, and this is land that is in the Kau area and has been there for many, many years and is not productive in agriculture. We have a (inaudible) industry down . . . (inaudible) . . . We have 15,000 head of cattle in the Kau area. We have 20,000 acres of sugar cane in the Kau area and plan an additional expansion. In fact, we're expanding into another 250 acres right now. We have 1,250 acres of macadamia there and we are expanding now into another 1,000 acres of planting. We have developed the naval orange now that we think is as juicy as the best California exports, and we planted 100 acres of this crop last year. And we have experimental crops of grapefruit, mangoes, guava and avacado and we have every reason to believe that we can expand these crops into (inaudible) units in Kau also. So this is a plan of balanced land use in

MR. KAY (Cont'd.)

agriculture, grazing and urbanization in the resort areas.

Now, development of these hotels will increase the population of Kau. We can see in our land studies that we expect to get about 10% . . . (inaudible) . . . hotel rooms between now and 1980. Our plans may not seem as spectacular as some of the announcements, but they're capable of being built and financed. We plan to build about 1,200 rooms in the Kau area in these 5 resort areas. We've got a drill for our water. We are sinking a production well right now in the middle of the area. If the location of this plan and its building of 1,200 rooms will increase the population there, we feel that there will be about 1,800 new heads of household required to work in these 1,200 hotel rooms, and we can't get into competition with ourselves in these plantation towns, so we have a program in our financial model for building low-cost housing. In fact, in the initial years we are subsidizing this and it is in our economic (inaudible). I'll give you the specifics on that in response to your questions later.

Also, we know that the Kau area is very, very rich in history, and we've got the Bishop Museum, Mr. Hanson, we've got some Anthropology students working with us to identify all of the features in the Kau area that should be preserved. Now this isn't just because we're conservationists and interested in the long-term future of Hawaii, because it just makes good sense business-wise. It doesn't make good sense to destroy these things that give us this rich history, so we have detailed maps of these sites and plan to spend more money in the final positioning of our hotels to be in such a location that people can observe these artifacts and recognize the history of the area.

I think that I'll get into these slides and then take up your questions



MR. KAY (Cont'd.)

because I'm sure that you will have many.

This is a scene from down in the Hanalapu area on the front cover of this economic study. Now in this economic study, you'll notice the positioning of hotels and land (inaudible) programs in plan only and not in perspective, and you'll see some of these hotels positioned quite close to the water. The reason for this is that we wanted to get the maximum run of our sewer lines and water lines and things into the hotels so that we were ultra-conservative in our costing. We also did this . . (inaudible) . . one of the hotels in the most adverse condition as far as a tsunami is concerned and . . (inaudible) . . so recognize this as an economic study in that the detailed precise planning would probably move these . . . many of these hotels back. In fact, we don't intend to restrict the beach from public use in any area . . . move them back and allow us to save a little money, number one, and also for the landscaping . . (inaudible) . . We have lands on the Island of Hawaii, Hilo, volcano area, and extensively in the Kau area and also lands on Maui and Kauai that we have some plans for in extending this concept (inaudible) on Kauai.

We found out in our consumer research, after doing much probing, and we had some able scientists working on this . . (inaudible) . . interviewing people that came back from the Mainland about their bad experiences. We found out one of the most traumatic experiences of all was driving from the Honolulu airport into Waikiki . . . the first time the visitor was shocked. He left Los Angeles or San Francisco or Chicago and this was the result. They were very disturbed by this. Usually, he's having such a good time in Hawaii, he forgets about it, but in the identification of this problem, we just feel that Hilo . . . and we find it more and more

MR. KAY (Cont'd.)

now; we're getting good records on it . . . Hilo (inaudible) there is a more attractive window than Hawaii. This is one of the reasons we have planned on our Waialakea Pond site a resort, kind of an Aloha Gardens, featuring the many worlds of Hawaii, with a landscape featuring the many cultures that have settled in Hawaii . . . down here on the waterfront property, which is the first phase there. I won't dwell on this because it isn't the reason for my presentation today.

A view of the volcano area . . . another interesting stop for the visitor. We found out in our research that the Aloha spirit is the thing that Hawaii has to offer overall. It's not our scenery necessarily. It's our warm, friendly people and, believe me, this is extremely, extremely important, and we've driven it in to our operational design for this regional resort. In fact, we were quite shocked to find out that unless someone does something about preserving this Aloha spirit, Hawaii, although it's on a boom right now, could be in real trouble in the next 5 years. So we feel again that it's good business to preserve this Aloha spirit.

We have a very low density plan for all of Kau . . . extremely low density. We have about 800,000 acres in that area, and we're only talking about 5,400 acres, about 2% of the land between now and 1980.

This is the drive to the volcano that you all know, much more attractive than the drive through Waikiki. The volcano golf course is already underway and the implementation of some of our attractions. This, of course, is complete now. The grass is growing . . (inaudible) . . the whole course. We've expanded into a very, very nice course and we broke ground just a couple weeks ago in our new Kaa sector (?).

This is the new (inaudible) golf course. Driving downhill from Kau

MR. KAY (Cont'd.)

we find an area of diversified agriculture - cattle - and we hope in the near future a very, very special kind of regional resort atmosphere. This is the view looking out over the panorama . . . macadamia nuts, sugarcane, and the blue ocean in the background. One thing we're not sure of in the Kau area is the water resource. We have some transmission problems in bringing it down to the sea, but we have a great deal of plentiful water. Just last week we put down our production well for all the area and we had more water than we had anticipated from our test well.

. . . (inaudible) . . . monkeypod scattered in the area, and you might keep this terrain in mind. These slides are . . . (inaudible) . . . of Kau. These are our monkeypods.

This is our total concept for the area. I point this out to you in (inaudible). This is the existing highway. It is quite a good highway all the way through except here in the Naalehu area where it starts to be more deficient than it is in this area here. Most of our hotels do occur down in this area. We've very interested in this (inaudible) bypass road. We'd like to get this moved up. Our plans don't depend on it but we're . . . (inaudible) . . . important, too.

We would like to build up in this area a (inaudible) construction that would look out over this panorama so that people could see the diversified agriculture and the good balanced use of land in the area. This is our State land in here. This is one of the best promontories built and we intend to talk to the State about possible special use of that to allow us to build (inaudible) structures there on the wayside. There would be no profiteering. There would simply be a park in there . . . (inaudible) . . . and a scenic overlook to look out over these lands.

MR. KAY (Cont'd.)

Down here in the Ninole-Punaluu area, as your staff reported, is an area . . . for many years tourists have been coming into the area and . . . (inaudible) . . . haven't really had a chance to experience this spot. Frankly, C. Brewer has been holding back on this resort development in this area for these many years because they wanted to be sure that we were going to do it right. When they started in on the plans, they had long term objectives in Hawaii, as you know, and their objectives are (inaudible) your objectives and the objectives of the government. We're not interested in the short-term forecast. A look at those economic studies make you realize that it took a lot of years . . . (inaudible) . . . Our first hotel would be the Ninole fresh water pool hotel and second hotel, the Punaluu Black Sands Beach Hotel, the golf course (inaudible), the third hotel, Mookini. We (inaudible) a short take-off and landing strip in this area. (Inaudible) Hotel and a golf course. Right now in (inaudible), they're discharging cane waste into the sea which is a very unsightly thing. We are in October involved . . . we are going to begin to discharge this cane waste onto some rather thin soil in this area and in about 5 years, that will be built up enough so that we can build our second major golf course in the area.

Way down in this end in Waiokini we have still another resort environment. This is probably the only good white sand beach in the area and a very, very interesting spot on the Kona side itself for quiet waters and . . . (inaudible) . . . this side of the island. Excellent sport fishing.

I have to admit to you that we do not have at the present time an adequate water supply there. We only have enough water to build about a 38-unit hotel in this area, and this water here runs down here to South

MR. KAY (Cont'd.)

Point . . (inaudible) . . the County has told our engineers verbally many months ago that they would make enough water available to us here if we'd build a reservoir on top of the pali and take the water down here. I'm a little worried about that verbal arrangement and some of the other things that have been happening. We have a crew down there this week looking for water. There was quite a settlement down here. Mr. Hanson knows that much of the water they were drinking was rancid. We're hopeful they'll find more water in that area. This area here is adequately served by water.

Just to refresh your memory, this is the drive down in the Punaluu area. This shows the Punaluu Black Sand Beach area. This is Ninole Cove here. This land behind is designated for a golf course and the third hotel is Kapukini which is half-way in between. Incidentally, Mr. Hanson, we won't use that word Kapukini as the name of our hotel. These are the 3 resort hotels in that location, the golf course mauka, and the higher density bigger hotels, condominiums . . . actually, this is a very low density scheme. We only have 240 units in that first hotel in Ninole Cove, 247 units behind it and then some condominiums up on (inaudible). Over on the right is the Punaluu Hotel which is 240 units and the final hotel with 210 units. This is the Ninole fresh water pool area. This is the hotel configuration. Punaluu-Black Sand beach area. You'll notice the mauka lands were proposed for residential development. This is the hotel. We're preserving the County park and everything in that area. Incidentally, we've been working very closely with the County, State and the people in the communities to reflect their wishes in this plan. This is the makai road. This is your additional County park here and this road will stay as it is right now.

MR. KAY (Cont'd.)

This is one of the hotels that will be pulled back. It's too close to the water here. Punaluu. The third hotel. You can see here the Kaukini fish pond which we hope to restore. And you'll notice this long flat area there. This is what it will look like when the golf course is in. There will be another small hotel.

This is around the tip of South Point . . . excellent fishing. Now we're coming around the pali which is some 400 feet high, and you'll see the white sand beach at Waioukini on the other side, an area that is quite rich in artifacts. We intend to do additional work down there before we site this very small hotel. Also, it's an excellent fishing area. We attempted in our economic simulation to build a (inaudible) but the cost was so prohibitive that we had to leave that idea, but we have ended up with a boat launching ramp here similar to a marine (inaudible) . . . (inaudible) . . . a large concrete unit to pull boats up . . . (inaudible) . . . This is some of the finest fishing in the Hawaiian Islands. This hotel, incidentally, is not an economic hotel for us because of the long road we have to build and because of the water development, but we feel that it's important for people to be introduced to this area; it's important to us to have the facility to compliment the (inaudible) of the volcano and it's important to them to find a neat spot in Hawaii that's untouched and unravaged by the (inaudible).

This is the plan that shows the many activities that we intend to promote in the area. . . . quite like the commerce many years ago. In fact, we're spending \$300,000,000 to restore Kau and to keep it rural. These are our support communities. We have sociologists and physical planners working right now to work out a program for developing these into (inaudible). We have some fairly predictable numbers of people now

MR. KAY (Cont'd.)

who will be generated in here, and it's really a planners dream to know how many people are coming in, what the existing facilities are, and how these facilities are expanded to meet their needs. The 1,200 hotel rooms will generate about 1,800 new heads of household which will require, we think, about 1,400 homes between now and 1980. And as I mentioned, in the early years (inaudible) subsidizing homes. In fact, our first item of construction is a building of low cost houses. This is at the insistence of our president. And our sociologist announced the effect that this will have on the community. And one thing we know for sure . . . we're not building new homes for construction workers. We're building new homes to allow people to upgrade themselves. Our hotel operators also will be included in this category of permanent residents.

While Hilo has some interesting charm, we hope all these communities will be able to foster cultural activities in the communities and watch them grow. It really isn't a major thing in terms of population boom. I read a lot of these announcements about this hundreds of thousands of people coming in as a result of resort operation, and I just simply don't believe it. In fact, I've prepared a chart over here that I want to dwell on a little bit to get us all into reality. This is our designing construction schedule showing that there are several things going on at the same time. This is included in the book. We also in the Kau area which is quite windy, began a program for planting in the entire area . . . miles and miles of windbreaks are being planted and we just put 2,000 coconut palms in the ground. We have a full time man with us now who is a horticulturist, a forester, and a landscape architect. And we are developing a nursery that we intend to plant very extensively. These

MR. KAY (Cont'd.)

are some of the districts we've participated in with this plan. I just show you this to indicate that (inaudible) can be beautiful.

These next slides I want to show you because I want to discuss a little bit the urban zone and why we have requested so much urban in our plan. Much of our development of residential acreage was developed with green belts winding among residential sites, and these green belts take up space. As you'll notice, this cul de sac in the center of a stream and behind that draw is a transformer from the underground utilities. The community is laid out with these wide spots of green belt. The lots are not half-acre minimum because we find a lot of people don't want a half-acre lot and the lot kind of grows up in grass and doesn't look too good. So this is the cluster housing concept and we'd like to use this in some of our residential development.

Incidentally, these students and these people that are shopping go to their schools and do their shopping without having to ever cross a street.

Now the cluster housing here on Hawaii (inaudible) a California subdivision. There has been some done on this island. Green belt . . . houses on smaller lots with the green belt taken care of by (inaudible). Some of this we expect to have happen right behind our resort hotels. We don't have a big yard maintenance. The yard is maintained through (inaudible) association or other forms of (inaudible).

Now, we get up in the mauka lands and let's face it, there's a lot of mauka lands productive without this kind of density. But we still think the green belt concept is good and we'd like to try . . . (inaudible) . . . allowing cattle to graze up in the green belt or of a different nature but the concept is still the same. Rather than a sprawling rectangular



MR. KAY (Cont'd.)

subdivision in lots . . . something that's far more interesting are the green belt grazing areas. . . (inaudible) . . and we'd like to start it.

That's the slide presentation. I'd like to switch over to this map for a minute and indicate to you . . . We were talking earlier about all the many, many acres of land in Hawaii that are subdivided upon which there are more occupants, roads and trees with grass growing up and there's no one living on the lots. It's a horrible thing to see and when I had this lending institute here with me, we flew over Hawaii in a helicopter and we looked at it. It's really a shocking thing. The day may come when these people will demand County services or State services and it could bankrupt the County. Now our development does not contemplate this at all. In fact, to me the (inaudible) area that's unoccupied is disastrous. And we think there is really only one way to handle it. I don't think the County can legislate a (inaudible) or the State very effectively. The best way to handle this is for the developer to place a time limit on the lot, say, if you don't build in the specified period of time, we will buy that lot back at cost. Now I have done this in past developments and it's very effective. I would like to preserve about a 70% occupancy in my land sales behind the hotel as well as in the hotel.

Now, with all that, why did we request so much urban? We requested 3,883 acres of urban between now and 1980 and 1,511 acres of rural. And incidentally, there is no arguing with the County or with your staff or anyone else. This is something I'd like to point out.

In this green belt concept . . . in our urban zone, we have in the resort . . . fairly small -- 209 acres . . with some condominium densities at 5.2. This is dwelling units. This is occupant per dwelling unit. This

MR. KAY (Cont'd.)

is total occupant. These are the condominiums behind the hotels. The hotels are right in through here. And the support housing for these 1,200 or 1,400 dwelling units I've talked about, 300 acres are required before . . (inaudible) . . Then we add the green belt and parks and features. The golf course is some more green belt. Historical preserve. Then recreational residential which is the lower density. We come out with an overall average . . (inaudible) . . of 2.1. Well, there isn't a zone we can fit into right now except the urban zone. If there were another zone to allow us to do this thing, then fine. Now, the rural area . . . 2 units per acre, we feel that we can live with that. In your ordinance there's a half acre minimum, but consider for a minute the fact that maybe some of those half-acre lots could be smaller with this green belt maintained by (inaudible) and I think you've got to say that it's a more attractive community to visualize. But again, it wouldn't be conforming and the present rules for a rural zone.

We discussed this with your consultant many, many months ago. They knew the type of flexibility we wanted in our plan and recommended at the time that we request . . . the only thing we could request at this time would be urban zoning which allowed us this flexibility. And so we have petitioned for urban zoning because these are the laws we have to live with right now.

In our request for zoning in the first phase . . . and incidentally, I very much agree with the incremental zoning . . . I think it's the only way to fly. We can assure you specific performance and if we do, you'll let us do something else. This is another good way to control the quote (inaudible) development." We intend in our first phase, that would be between now and 1975, to perform on 1,421 acres or urban zoning. Your staff recommended somewhere over 900. I'd like to ask you for a little

MR. KAY (Cont'd.)

more than that to show you what we can do. But this is where I request the petition right now. This increase is shown in the brown areas here which I'll go into . . . Anyway, I want to get back to this population thing. Take all these occupants, add them up, and there are 23,000 new people in the area. At a 70% occupancy, I would say that they introduce . . . (inaudible) . . . between now and 1980, which is not a difficult thing to plan for. In fact, it's a happy thing to plan for because we can really plan facilities to match that population growth.

Now, the Pahala area, your staff recommended that this entire area be approved. It's fine with us. This area should be approved, but this 175 acres in here, our first phase, I would very much like that because I would like to test market a little bit of the product over here on this side. We expect to have about 3 different types of inventory in land sale, and that could be . . . (inaudible) . . . with macadamia crops on it that we will manage and maintain for the owner. Also, we'd like to market some higher density lands with the green belt in between, and then some of the more typically urban, which is what this is, and also some of the condominiums down in here. Your staff has also recommended this area be granted to us for urban zoning. I would like to ask for a little more above the road . . . another 120 acres. Naalehu . . . the reason we had . . . the consultants recommended that this area be approved in the first phase but not this area is because of the fact that the new (inaudible) road would bypass . . . (inaudible) . . . come through here and bisect this community. This is probably correct. The only reason we expanded in this area is because we can go . . . (inaudible) . . . A more logical extension might be of a linear fashion in . . . (inaudible) . . . and if that highway

MR. KAY (Cont'd.)

is built, I'd be delighted to see us expanded although we don't have enough land to do it right now. If we try to expand this way on our own land, the terrain is too steep. This is why we ask for this block of land in here. Down at Waiaukini, I'm sure it shouldn't be an urban zone per se and I think the staff is absolutely correct in recommending that some form of special permit be granted down in that area to allow us to do what we want to do. So what I'm doing is saying that I agree with the action that's been taken here, but I would strongly appeal that we be allowed to do our test marketing and prove what we can do on 1,421 acres in our first phase and show you the performance rather than the 500 plus acres that were recommended.

That's the end of my presentation and I'm available for any questions.

CHAIRMAN CHOY:

Any questions?

COMMISSIONER WUNG:

I have one question. You were talking about mill wastes from the ocean. . . (inaudible) . . project for many years now. What is the consensus of the plantations now? They say they're going to dump the waste onto that land and make it livable, but where they fill up that . . . (inaudible) . . back in the ocean again.

MR. KAY:

We're convinced that we're not going to be able to dump this stuff in the ocean. We know we can't do it already. The laws are already on the books.

COMMISSIONER WUNG:

No. I'm talking about Hilo Sugar and all the way down the coast there.

COMMISSIONER:

Mr. Kay, I have a question. Your projection is up to 1980.

MR. KAY:

Yes.

COMMISSIONER:

Our projection is only 1974, and we are only going by the laws of land use. Now you. . . (inaudible) . . .

MR. KAY:

This is what we intend to develop through 1974. I just showed you this because I wanted you to see the overall . . . the whole picture.

COMMISSIONER:

1974?

MR. KAY:

Yes, 1974. We would like to show you that we could specifically perform the first increment on 1,421 acres.

CHAIRMAN CHOY:

Mr. Kay, am I correct in understanding that you have funds of your own and you need not go out to borrow it?

MR. KAY:

Yes, that's correct.

CHAIRMAN CHOY:

That being the case . . . like (inaudible)?

MR. KAY:

Yes.

CHAIRMAN CHOY:

Then I think the staff should recommend a special permit.

COMMISSIONER:

Waiaukini?

CHAIRMAN CHOY:

No. On both.

MR. DURAN:

There is that possibility.

CHAIRMAN CHOY:

Yes. So, that being the case, if you can finance it yourself, there would be no problems working on a special permit.

MR. KAY:

In this area?

CHAIRMAN CHOY:

Yes.

MR. KAY:

Yes. Then in the first 5 years, we were just putting soil on this ground so that would be fine. We'd accept that. The first 5 years which is through in January, 1974, we've just been putting that soil on here that's coming down from the cane.

CHAIRMAN CHOY:

You didn't expect to build anything on there?

MR. KAY:

We expect to build a small country store in here for the future various Brewer . . . various products of (inaudible). Macadamia nuts, sugar products, things like that. A very small unit out here which would take up probably not more than . . .

CHAIRMAN CHOY:

And, Mr. Kay, your nature of concentration of work would be at Ninole?

MR. KAY:

That's correct.

MR. DURAN:

When would your hotel be under construction at (inaudible).

MR. KAY:

This starts . . . the construction starts on schedule. This is all in the book if you ever need to check any of this. The roadside commercial that I described, we'd like to start in 1971, at the end of 1971. The golf course/hotel . . . we start designing in 1974 and we start construction at the end of 1976.

CHAIRMAN CHOY:

You have a question?

COMMISSIONER:

You said that all the ag land is unproductive but there's some in cane now, right?

MR. KAY:

I know what you're talking about. There's 40 . . . we have not developed any land in here that's suitable for . . . that is presently in cane or suitable for future use in cane except for one 43-acre parcel here which is right next to the city of Pahala. And we're expanding right now on this other side in 450 acres of cane . . . irrigated over on this side. So we've replaced ten-fold the cane which we took out here which has been (inaudible) for cane for many, many years. This is put in here because it's right next to the city of Pahala and a logical place to expand that community for support housing. But we're adding 450 acres of cane over on the other side.

PAUL:

I'm Paul (inaudible). I'm the (inaudible) from this area as manager

PAUL:

. . . I've been manager for 15 years. John is quite right to say that that land is not good land. We've had periodic . . . (inaudible) . . . and I would say that one out of three crops are good crops. Maybe the next one will be a mediocre crop and the third one will be rather poor. There would be no loss as such to the company as a whole. The fact that it takes time for the good acreage . . . (inaudible) . . . irrigation will be highly productive and many, many times more productive than that area that's been given up.

COMMISSIONER:

Mr. Kay, where is your macadamia grove from there?

MR. KAY:

Paul or . . . (inaudible) . . . but we have macadamias in this area here and we have macadamias in this area then we have some in here and we're planning some expansion over here. Here again, we would like to experiment with . . . we would like Kau to become the macadamia capitol of the world, and we would like to be able to sell lots with macadamias on them because we think they're not only a good investment but they enhance the property.

COMMISSIONER:

Well, you can't sell residential on agricultural lot. What I'm trying to say is, it's uneconomical to . . .

MR. KAY:

This is my point exactly. Orchards themselves . . . it's not very economic or good sense to put houses into the orchards such as has been proposed by some. But if the houses can be adjacent with the orchards, with the orchards behind . . . and the owner says there's my macadamia



MR. KAY (Cont'd.)

orchard behind . . .

COMMISSIONER:

What I'm trying to tell you is that it's uneconomical to have only 2 acres of macadamia nuts. You've got to have a minimum of at least 10 acres or more.

MR. KAY:

To get . . . this is something that we have got . . . I could tell you very closely the subject. We think that maybe 5 acres based on some of the work we're doing.

COMMISSIONER:

Impossible.

MR. KAY:

I'll remember that. We haven't got that package completely designed yet.

CHAIRMAN CHOY:

Are there any other questions?

MR. DURAN:

Do I understand that you're not seeking this rezoning during the first 5 years?

MR. KAY:

We don't need it during the first 5 years. We would like some of this in exchange.

MR. DURAN:

Now the other question is that in this area and in this area, 5 years from today, what do you anticipate we would see on the ground?

MR. KAY:

We anticipate that you would see streets and roads that occupy the

MR. KAY (Cont'd.)

lots in that area.

MR. DURAN:

The percentage of units . . .

MR. KAY:

Well, the words "specific substantial completion" . . . it's hard for me to know what that means. I would say in this 120 acres, this area here, you see, I hope 70% is what we should do . . . this area here, I would say about 30%. So that's a little different kind of inventory and . . . it's a little higher priced, in fact.

MR. DURAN:

I wonder if you could expand on this time limitation for development that you mentioned earlier that . . .

MR. KAY:

This has been done early satisfactory. It's not something the County can . . . (inaudible) . . . When you sell the lot to a buyer and you have in his fee the . . . (inaudible) . . . and restrictions which state that he must build a structure of a certain size, conforming to and to be reviewed by an architectural control committee . . . review committee which we attempt to have . . . within a specified period of time. If he does not build within that period of time, the developer has the right and will, in fact, buy that lot back at cost. In some cases, we've said at cost plus interest, but then that means that people speculate there so we just say at cost. It's good business sense because what the true land developer is trying to do, and Brewer's in that position, is build the value of the residual lands . . . the lands surrounding his development. If he blows it in his first phase, then he's really blown the whole

MR. KAY (Cont'd.)

development. We can't spare all this kind of money . . (inaudible) . .

MR. DURAN:

Why do you put that time limitation on it? Do you have any idea?

MR. KAY:

We're testing the market right now. That is, interviewing people and we've spent a lot of time on this. Rom, I can't give you a definite answer on this. It's something less than 10 and probably more than 5 . . . this type.

CHAIRMAN CHOY:

Mr. Kay, if you were granted only the one area, Ninole, would it hurt your development . . . the overall concept of development?

MR. KAY:

It would because this regional resort . . . we found out that people don't want to spend 10 days, 7 days, in one spot. They just don't want to. They're bored in about 3 days, so that we need this hotel, this hotel and this one, we think.

CHAIRMAN CHOY:

No, I mean . . . You would have how many hotels in Ninole?

MR. KAY:

We'd only have the Ninole Hotel and the Punaluu Hotel . . . two hotels on the first phase.

CHAIRMAN CHOY:

How many rooms?

MR. KAY:

There would be 240 in this one and 240 in that. That's 480.

CHAIRMAN CHOY:

And down . . .

MR. KAY:

Down here we'd only have 38 units. This is uneconomical to us, but it's a price that we think people need because this is pretty wild ocean, as you know, and this is the only place where they can get in the Kona-like environment so . . .

COMMISSIONER:

Now let us assume that it's \$30,000 per unit. You're going to need something like \$15,000,000 just for your hotel. Do you think you can afford to develop that?

MR. KAY:

We have . . .

COMMISSIONER:

Without going into these lands here?

MR. KAY:

Yes.

CHAIRMAN CHOY:

Mr. Kay, the reason for the question is, if all of these different parcels are given here and we have a 5-year time limitation, and you've done a little bit on each portion, then we'd have to withdraw and put back into ag. We'd have a problem.

MR. KAY:

Yes.

CHAIRMAN CHOY:

Wouldn't it be much wiser to just give you what you actually really know you can accomplish?

MR. KAY:

We really know we can accomplish on this 120 acres with 70% occupancy.

CHAIRMAN CHOY:

But you see, all of that would come out of that one area . . .

Ninole.

MR. KAY:

The bulk of it is . . (inaudible) . . . there's 464 acres here in Ninole. This area here which allows us to start some of this land sale and . . (inaudible) . . and macadamias . . .

CHAIRMAN CHOY:

Yes. But those would be sizeable lots.

MR. KAY:

This could be withdrawn without a . . .

CHAIRMAN CHOY:

Yes. You have nothing on your plan anyway. No density on your chart for that area.

MR. KAY:

This?

CHAIRMAN CHOY:

Yes.

MR. KAY:

That's correct. We're still putting soil on it.

CHAIRMAN CHOY:

So we could forget that.

MR. KAY:

We can forget that and take that out of the request. We want to build a little country store down there and that's all.

COMMISSIONER:

I still can't get the idea that you're still going to build this hotel and still be able to finance it without . . .

MR. KAY:

Well, sir, I've given you the report and the feasibility study and I can . . . (inaudible) . . . another report though I don't like to do it at a public meeting by our lending institution.

COMMISSIONER:

Did I understand you right that there would be no cost to the County or the State for any of the facilities that would be needed . . . the ordinary community facilities?

MR. KAY:

By ordinary community facilities . . . (inaudible), schools and things like this? Let me say specifically what I mean. I mean specifically that we have not . . . in our economics have not included any funding from the State or the County on utilities, that is, roads, water systems, sewage or sewage treatment plants, or development of harbors, beaches or anything of that nature. As far as expansion on an educational plan is concerned, we do not have that in our economic study. That would be a County project. But if those plants would be expanded, there would be a . . . the tax increase in this community would more than allow for that.

Now when I say that, I want to be perfectly clear. That doesn't mean I'm not going to come back in and ask for money, but when we look at the balance sheet for the County and the State, we decided that our long-term lender, who would also look at the balance sheet for the County and the State, would not make a commitment to us because there just was not that kind of money in the County of Hawaii to do these things.

COMMISSIONER:

That thing holds true with all Counties, not only . . .

MR. KAY:

That's true.

COMMISSIONER:

Even if you go to Kauai, you still have to . . (inaudible) . .

MR. KAY:

That's correct.

MR. DURAN:

John, I believe you said you were going to talk to D.O.E. about school facility needs in Kau. Was there any land that was necessary for . . (inaudible due to Mr. Kay's interruption) . .

MR. KAY:

I'll tell you what we've done. We've had like public hearings in both Pahala and Nalehu when we had a marvelous turn-out from the people. So we talked with the principals and other people there at that time about these lands for schools based on these projected population increases. On September 22nd, I have a meeting with them that's coming up, but at the time, I have right now a community planner and a sociologist working in these communities to draw plans for the best location . . . optimum location . . . for the school. Here again, I'm hopeful that we can get some of these green belts coming down and terminating at the school to accomplish some of this cluster housing.

MR. DURAN:

What I'm driving at is that if there is a need to expand schools or . . . that is, I'm talking about land area or new sites, are you proposed to dedicate these school sites?

MR. KAY:

Yes.

COMMISSIONER:

How about parks?

MR. KAY:

Yes. That's a very important part of it.

UNIDENTIFIED:

In that respect, not only would . . (inaudible) . . . be doing this,  
but so would the County be kind of (inaudible) it.

CHAIRMAN CHOY:

Anybody else?

COMMISSIONER WUNG:

Mr. Kay, I still have my doubts about your 17,000 people in 5 years.

MR. KAY:

No, sir. This is not in 5 years. This is through 1980.

COMMISSIONER WUNG:

But you're still basing it on 1,400 acres.

MR. KAY:

Fourteen hundred acres is the first phase. This is all we've asked  
for. We haven't asked for any of this rural. I could tell you about how  
many people would be there in 5 years . . . about 6,000. Between 6,000  
and 8,000.

COMMISSIONER WUNG:

And what is the 17,000?

MR. KAY:

That's by 1980.

COMMISSIONER WUNG:

You have it in the report 40,000 to 50,000 people.



MR. DURAN:

No. That was our estimate based on the report's designation of densities and total area proposed for development.

MR. KAY:

Which is correct, Rom, because . . (inaudible) . .

MR. DURAN:

There's a lot of area down below that's not even shown on this plan but it is in the report.

MR. KAY:

Right.

CHAIRMAN CHOY:

Any other questions? If not, thank you, Mr. Kay, for a very nice presentation.

I'd like to impose a public hearing, and Mr. Kay, you have your 15 days for additional testimony and we'll take action within 45 to 90 days.

We have some action on special permits.

(Apparently many people were leaving the room as there was the sound of scooting chairs, many people talking aloud, etc. and the conditions made some of the dialogue during this period inaudible.)

Just give us your opinions on this special permit.

MR. DURAN:

We recommend approval of the . . (inaudible due to above described noise) . .

STAFF:

This is an application by Design-Kona, Inc. (Several additional sentences obliterated by above described noise.)

CHAIRMAN CHOY:

Okay. Any other discussion? Any questions?

COMMISSIONER:

These (inaudible) are going to be included on the . . (inaudible) . .  
restrictions, right?

UNIDENTIFIED:

The County has also recommended approval.

COMMISSIONER:

Mr. Chairman, is a motion in order?

CHAIRMAN CHOY:

Are you ready for a motion?

COMMISSIONER NAPIER:

I move that we accept the recommendation.

CHAIRMAN CHOY:

With conditions.

COMMISSIONER NAPIER:

With the conditions.

CHAIRMAN CHOY:

Any second?

COMMISSIONER:

I second it.

CHAIRMAN CHOY:

Are you ready for the question?

MR. DURAN:

Commissioner Nishimura.

COMM. NISHIMURA:

Aye.

MR. DURAN:

Napier.

COMM. NAPIER:

Aye.

MR. DURAN:

Wung.

COMM. WUNG:

Aye.

MR. DURAN:

Inaba.

COMM. INABA:

Aye.

MR. DURAN:

Chairman Choy.

CHAIRMAN CHOY:

Aye.

MR. DURAN:

Motion is carried.

CHAIRMAN CHOY:

Wait. Tanji.

MR. DURAN:

Oh. Sorry.

MR. YAMAMURA:

Aye.

MR. DURAN:

We've got another special permit request by the Maui County to locate a proposed dump on State lands. They have an existing dump up in Lahaina that's causing smell, odor and problems. The State has located the transfer of this land and they have a whole (inaudible) of conditions to make

MR. DURAN (Cont'd.)

sure that it will be left in satisfactory condition when they're through with it. We're recommending the approval of this.

CHAIRMAN CHOY:

Good idea. Question?

COMMISSIONER:

Question.

CHAIRMAN CHOY:

Poll the Commissioners.

MR. DURAN:

Commissioner Inaba.

COMM. INABA:

Aye.

MR. DURAN:

Wung.

COMM. WUNG:

Aye.

MR. DURAN:

Yamamura.

COMM. YAMAMURA:

Aye.

MR. DURAN:

Napier.

COMM. NAPIER:

Aye.

MR. DURAN:

Tangen.

COMM. TANGEN:

Aye.

MR. DURAN:

Choy.

CHAIRMAN CHOY:

Aye.

MR. DURAN:

Motion is carried, Mr. Chairman.

CHAIRMAN CHOY:

Thank you. Is there anything else?

MR. DURAN:

The other item is this Waimanalo farmer, and if you'll look in your reports on that in the back, you'll find a map that illustrates the problem that . . . (inaudible) . . . the urban district and his two (inaudible) are in that area now and he wants to put two more and an office. One is in the urban district and the office is in the urban district, so . . . what we're recommending is that the Commission interpret this boundary to follow the stream on the basis that if land was sold in agricultural purposes, it gives us (inaudible) and the land is also dedicated.

CHAIRMAN CHOY:

Do we have a motion?

COMMISSIONER:

Yes, and may I amend the motion that we classify that (inaudible) so designate on the map.

CHAIRMAN CHOY:

Designate what?

COMMISSIONER:

Agriculture.

CHAIRMAN CHOY:

Fine. Well, that's the motion. Okay, are you ready for the question?

Okay, poll the Commissioners.

MR. DURAN:

Commissioner Wung.

COMM. WUNG:

Aye.

MR. DURAN:

Nishimura.

COMM. NISHIMURA:

Aye.

MR. DURAN:

Inaba.

COMM. INABA:

Aye.

MR. DURAN:

Napier.

COMM. NAPIER:

Aye.

MR. DURAN :

Tangen.

COMM. TANGEN:

Aye.

MR. DURAN:

Choy.

CHAIRMAN CHOY:

Aye.

MR. DURAN:

Motion is carried, Mr. Chairman.

COMMISSIONER:

What are we going to do at the next meeting?

MR. DURAN:

Our next meeting is over in Honolulu and . . .

COMMISSIONER:

Honolulu?

MR. DURAN:

The 12th in Honolulu and then the next month we have October 3rd set up for a meeting . . . in Maui, I believe. As far as Mililani . . . they want to know if the Commissioners want to go out and see the site because they're on the agenda that day. It's a public hearing. I know Wilbert has some reservations that day and Alex . . . For those of you that want to . . . (inaudible due to several members speaking at the same time) . .

COMMISSIONER:

Do you think it could be arranged that we could have a meeting out there . . . sort of a preliminary meeting so that we could show Tangen and . . .

MR. DURAN:

Well, that's what I'm talking about. Do you want to come in and get together about 9 o'clock that morning and go out to . . .

CHAIRMAN CHOY:

Get a (inaudible) so we can all go together and . . .

COMMISSIONER:

No need stretch-out.

CHAIRMAN CHOY:

Why?

COMMISSIONER:

I'll bring my car.

CHAIRMAN CHOY:

Well, get a stretch-out so that everybody will be in one car.

(Meeting was not verbally adjourned but tape ended.)

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