

Approved 11/1/68

STATE OF HAWAII
LAND USE COMMISSION

Minutes of Meeting

Hale Halawai Cultural Center
Kona, Hawaii

September 20, 1968 - 1:00 p.m.

Commissioners Present: Wilbert Choi, Chairman pro tempore
Shelley Mark
Sunao Kido
Alexander Napier
Goro Inaba
Leslie Wung
Shiro Nishimura
Keigo Murakami

Commissioner Absent: C. E. S. Burns

Staff Present: Ramon Duran, Executive Officer
Ah Sung Leong, Planner IV
George Pai, Legal Counsel
Dora Horikawa, Stenographer

Following the swearing in of persons planning to testify during today's hearing and introduction of the Commissioners and staff, Chairman Choi called for the first item on the agenda.

HEARINGS

PETITION BY LILLIAN T. GOO (A68-193) TO RECLASSIFY 8.68 ACRES FROM AGRICULTURAL TO URBAN AT KUKUAU, SOUTH HILO, HAWAII

Mr. Leong presented the staff report recommending approval of the request on the basis that this was a remnant parcel not suited for agriculture, its central location to employment, commercial and educational centers, basic utilities were available and would not add to scattered urban developments (see copy of report on file).

Mr. Leong further elaborated on the location of the Alenaio Stream which appeared to be an intermittent stream which emptied out into the downtown area and eventually into the Wailoa River. The Corps of Engineers reported that there would be no adverse effect on flooding of the area if it were

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to be subdivided. No specific recommendation for the setback had been made, but this matter could be handled at the County level when the subdivision plans are being finalized.

Since there was no further testimony, the hearing was closed.

PETITION BY BOISE CASCADE HOME AND LAND CORPORATION (A68-194)
TO RECLASSIFY 550 ACRES FROM CONSERVATION TO URBAN AND 5,300
ACRES FROM AGRICULTURAL TO URBAN AT ANAEHOOMALU AND WAIKOLOA,
SOUTH KOHALA, HAWAII

A detailed description of the property under petition and the major surrounding lands was presented by Mr. Duran with the aid of several maps.

On the basis of the staff's findings and the fact that the petition met only 2½ out of the 8 standards established for granting urban classification and the fact that petitioners had not adequately met the requirement of "need", it was the staff's recommendation that the petition be denied. (See copy of report on file.)

At the request of the Commissioners, Mr. Duran outlined the development plan proposed by the petitioners including resort complex, residential community, open space area, ranch lots, etc. Mr. Duran stated that the petitioners could proceed with the agricultural subdivision portion of the development since this was a permitted use and that they could also proceed with the resort complex on 550 acres in the Conservation District by having their plans and construction schedule approved by the Department of Land & Natural Resources.

In response to Commissioner Mark's question, Mr. Duran stated that the petitioners proposed to provide water and power in the area by means of a total energy system. However, they were also drilling for water. Mr. Duran also felt that if the development installed the cesspool system, it could probably contaminate the shoreline because of lava tubes and cracks.

Mr. John Ushijima, attorney representing Boise Cascade and United States Land, Inc., a wholly owned subsidiary of Boise Cascade, indicated that there were several individuals connected with the petitioners present today who would be able to answer any questions the Commissioners might wish to pose.

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Referring to the negative nature of the staff report, Mr. Ushijima submitted that the present administration has proceeded on the theory that the "Gold Coast", approximately 45 miles extending to Kawaihae, will be emphasized for major resort designation. This has been borne out by the considerable sums of money already expended by legislative action for the area. A road has already been built by State funds and plans are now being drawn up and finalized for the Keahole Airport. In a conversation with Dr. Matsuda, it was learned that every effort will be made to expedite the construction of the highway all the way into Kawaihae from Kailua, Kona. Mr. Ushijima submitted that most of the lands on the "Gold Coast" were owned by large landowners and it was fortunate that a firm such as Boise Cascade representing imagination and resources contemplated a totally-developed community and recreational facilities along this coast. He cited other large developers who had foresight and contributed to the progress of the State and said that every consideration should be given them to ensure the success of their enterprises.

Mr. Robert Pummill, General Manager of the Hawaii Division of the United States Land, Inc., began his testimony with the statement that Boise Cascade, the parent corporation, is a growing, dynamic company involved not only in the building and paper products industries but also in land development. United States Land, Inc., a wholly owned subsidiary of Boise Cascade, is devoted primarily to creating recreational and resort-oriented communities. By means of a movie film, Mr. Pummill documented the impact United States Land has brought to the land development business and how this company had met the ever-pressing problem of water scarcity for recreational purposes. People are finding increased leisure time, and vacation living requires recreational facilities near the water. This was the reason United States Land, Inc. came into being to meet the challenge and offer a solution.

United States Land, Inc. proposes a concept for growth which will permit the average individual to take advantage of his ever-increasing leisure time by purchasing developed land at today's prices and paying for this over a period with tomorrow's money.

Mr. Pummill submitted that the basic land use plan consists of the resort complex at Anaehoomalu Bay, the village recreational area, and the ranch sector in the mauka area. He gave a statistical report, such as income bracket, average age, occupational background of the possible village community members.

Some of the concepts that were established as guidelines for developing these lands were outlined as follows:

1. The Master Plan recognizes the site area as an important part of the Kohala Coast resort region.
2. The plan is a composite resort, recreation-oriented village, and a ranch sector designed to fit harmoniously into a natural environment.
3. The State of Hawaii visitor destination study is looking to the coast regions.
4. The plan supports the needs for standards, controls, and restrictions in order to establish and perpetuate the image of historic Hawaii.
5. Development of major open space areas are projected.
6. Conservation and preservation of the shoreline, sand beaches, and marine life will be considered.
7. Historic and cultural sites will be retained and made a part of the greenbelt and open space system.

Mr. Pummill then called on Mr. Jack Bevash of the firm of McIntire and Quiros to explain the planning that is being done for these areas.

Mr. Bevash offered an account of what has been happening in planning during the past 10 to 15 years to point out some of the contemporary plans that are guiding the growth of planning and development of many of our communities.

For many years in America, the rate of growth was slow and haphazard. Much of it was controversial and had to be redone. Today, major corporations, staffed with top-notch professional people, mindful of the new area of responsibility, finally realized their stake in the development of the country. We are moving ahead in the planning and development of major communities all over the United States with private support and government aid wherever needed.

Here in Hawaii, we are fortunate in having relatively few large landowners who, mindful of their responsibility and interested in doing a good job, have hired the finest talents at great cost to develop entire communities in an orderly manner with adequate road systems and utilities.

Boise Cascade cares about the area under petition, took a long time in having the area examined by experts, and made the decision that this property was well suited to utilize the energies and finances of a major corporation. This land has no agricultural value, is marginal for grazing, and void of utilities or roads. Petitioners feel they can create a worthwhile development out of this, since the land is blessed with wonderful resources of water, outstanding climate, good topography and relatively free from floods, making it an outstanding destination area for development.

Mr. Bevash continued that petitioners are prepared to spend large sums of money to provide major utilities and roads which will be built from Mamalahoa Highway down to the recreation and resort areas.

The following is a resume of the development plans which were outlined by Mr. Bevash:

1. A golf course will be laid out to take advantage of the best terrain with a view over the fairways in the recreation area. Another golf course is proposed in the resort area.
2. A clubhouse facility at the top is proposed which would contain 80 rooms, social rooms, tennis courts, and a swimming pool.
3. Stables and series of riding trails are proposed in another location.
4. Much of the property will be left in open space, in addition to the 15,000 acres.
5. A study is being conducted to determine what beach areas could be economically developed.
6. The natural existing sacred objects, artifacts, old trails, and old walls will be preserved.
7. Hotels in the resort area will be built with a low profile to afford each unit an outstanding view.
8. There is a possibility of building a marina adjoining the hotels where boats can be tied up.
9. Economic studies indicate there will be a great demand for condominiums.

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10. Employee housing will be an important element in keeping and attracting people in the hotel business. Owners indicate that the land will be given at no cost for the low-cost housing.
11. Owners have set aside reserved areas for educational institutions.

Mr. Bevash pointed out that most of the recreational communities in Southern California have occurred outside of the urban areas, away from the center of the city, where people could enjoy good climate, a bit of isolation and open space. Therefore, one should not tie the idea of a recreation-type community as an extension of an existing urban area but rather separated from it. As an example of this, he elaborated on the successful development of a university-resort-agriculture oriented community on the Irvine Ranch land, 50 miles from the center of Los Angeles which, after 7 years, boasted 3,500 students, \$40,000,000 worth of buildings and a present population of 12,000 people.

Mr. J. A. Connell, President of Connell Energy Company, submitted that a prime requisite for any development is an adequate, assured, and dependable supply of fresh water. Fortunately, with today's technology, the only thing required was a source of water of some kind. In this respect, Mr. Connell presented a comprehensive engineering report of the total energy system concept which the Connell Energy Company was prepared to install for the developers. In essence, this system would utilize the heat generated to produce steam by the creation of electricity to desalt sea and brackish water to make it potable. Reverse osmosis which would not require heat for its operation was offered as another method for the desalinization of water. The only energy required here would be electric power to operate the pumps. (For a detailed report of the total energy system, see copy of report by Connell Energy Company entitled "Total Energy System Producing Electric Power and Fresh Water, United States Land Company, Inc." dated June 18, 1968, in the petitioner's file.)

Mr. Pummill added that the petitioners were also looking to the Kohala Mountains as a source of water which would be less expensive.

To substantiate the need for hotels, Mr. Pummill offered the following statistical data utilizing figures which were

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available from the Department of Planning & Economic Development and the Hawaii Visitors Bureau:

1. In 1967 there were over 1,000,000 visitors to the State of Hawaii who spent over \$400,000,000.
2. The island of Hawaii received 239,000 of these visitors and approximately 6% of the amount they spent.
3. By 1975 DPED estimates 3,000,000 visitors will arrive in the islands.
4. In 1967 HVB bulletins indicated there were 2,188 hotel rooms on the island of Hawaii with an average occupancy of 71.3% or 1,560 rooms occupied 365 days.
5. Of the 239,600 visitors to the island of Hawaii, there was an average of 1.55 persons per party or a total of 154,600 parties with an average stay of 3.68 days.
6. Using the projection of 3,000,000 visitors by 1975 and the HVB survey indicating the intention of 40% visiting the island of Hawaii, this would mean 1,200,000 persons or 774,000 parties. Based on 3.68 days of occupancy, this would require 7,800 rooms occupied 100%. If the occupancy rate again were in the area of 71.3%, the total hotel rooms needed would be 10,939. There are 2,188 rooms available and the difference clearly indicates the need for an additional 8,750 rooms.
7. To compute the high point and assuming that the average stay increased to 7 days with the same number of visitors, the number of rooms needed, in addition to the present available, would be 18,717.

Mr. Pummill continued that the desirability of Anaehoomalu Bay as a visitors destination area was without question because of its magnificent beaches and lagoons, old fish ponds, boat harbor, and petroglyphs.

Petitioners' plans for the recreational village encompasses a total of 6,500 homesites administered by a property owners' association in which each property owner will be a member. The community will consist of a golf course, swimming pool, tennis court, and riding stables. Approximately 10,000 acres

surrounding this village will be held in common ownership by the residents and property owners and will be prohibited from development for a period of 10 years.

One of the aspects of the plan is the donation of 500 acres which will be devoted to employee housing to satisfy the need for low-cost housing among the hotel employees. Mr. Pummill pointed out the area where this could be economically located.

For future use and expansion of the area, 2,300 acres will be retained by the developer for the civic center core and additional housing when needed.

The balance of the plan shall consist of approximately 8,000 acres for ranching and agricultural purposes and will consist of several parcels from 500 to 1,500 acres in size.

The following timetable for development was submitted by Mr. Pummill:

First Phase - Within a 2-5 year period, the completion of the recreational village and first increment of the resort will take place. Included in this will be the development of the access road all the way through the property down to the beach area.

Second Phase - Five-year period from 1973-78 will see the completion of all the development work on the resort area. The entire recreational area will be under contract or purchased by individual members of the association. The resort area will then be about 95% completed.

Final Phase - Completion of construction of all remaining hotels, condominiums, etc.

The benefits and advantages to the State of Hawaii and County of Hawaii were outlined as follows:

1. The development of the economic base establishing a resort destination area at Anaehoomalu Bay will be of tremendous importance to the development of Hawaii. Of the two groups of visitors, tourist and vacationer, petitioners hope to attract the vacation-type tourist who brings most to the area while enjoying the amenities.

2. The village recreational sector provides excellent opportunity for the State of Hawaii to grow. It brings to the area individuals who will return year after year and eventually make this their home.
3. This group of "second-home market" will provide a continuing base for additional homes. Most of them are looking for retirement.
4. Taxes paid during this same period will aid in county development.
5. It transforms a portion of land which presently affords limited productivity and puts it to higher and better use.
6. The recreational village is self-sustaining and requires far less from the county in cost of services than it will contribute through taxes paid.
7. The recreational community concept has been successfully established throughout the country by United States Land, Inc.
8. The plan for this property does not require the need for public funds for the development of any of the improvements.
9. Excise and net income taxes generated by the initial development are estimated to be in excess of \$2,000,000.
10. The developer has the expertise, experience, history, and capital to bring this plan to reality.

Mr. Pummill read a letter received from Island Holidays, Limited to Boise Cascade expressing interest in the project and also mentioned others who were similiary interested. He also commented on a letter from the Hawaii County Planning Director to the Chairman, Shunichi Kimura, regarding amendments to the Kohala-Hamakua Regional General Plan and the recommendation by the Hawaii Planning Commission to the Board of Supervisors to approve the amended County General Plan to conform with the uses and the boundaries requested.

Referring to the standards to be applied in determining the Urban District boundary as mandated by the State Land Use District Regulations, Mr. Pummill argued that the plan will create its own area of trading and services and develop a

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total community, thereby resulting in "city-like" concentrations of people, structures and streets; subject lands did not possess a high capacity for intensive cultivation; project could not be considered as scattered urban development since it will be an entirely new community.

Mr. Pummill concluded that to date the developer has invested \$750,000 in the planning and feasibility study of this project. The developer has pursued the project to this extent primarily because of their faith in the growth of Hawaii and particularly the South Kohala Coast and in their ability to bring about this plan to a successful conclusion.

Prior to closing the hearing, Chairman Choi commented that it might serve the Commissioners well to visit the area under petition.

PETITION OF JAMES SPENCER ESTATE (A68-195) TO RECLASSIFY APPROXIMATELY 134,000 SQ. FT. FROM AGRICULTURAL TO URBAN AT WAIMEA, SOUTH KOHALA, HAWAII

Mr. Leong presented the staff report which recommended approval of the petition in consideration of the contiguity of the property to an existing Urban District and the urban use prescribed in the County General Plan.

Mr. Jeffrey Choi, representing the petitioner, advised that the probate on the subject property has not been completed so that the property theoretically will be owned by the six children as tenancy-in-common, the 3 acres to be divided six ways. He noted that the 1/3-acre parcel on the upper end of the map also belonged to the estate.

Mr. Choi informed that there was a 4-inch pipeline coming up to the Parker Ranch Shopping Center so that water was available, and the proposed highway development will not encroach on the property.

Since there was no further testimony, the hearing was closed.

ACTION

PETITION BY ILWU LOCAL 142 (A68-183) TO RECLASSIFY 20 ACRES FROM AGRICULTURAL TO URBAN AT KEALAKEHE, NORTH KONA, HAWAII

At the request of Chairman Choi, Mr. Duran summarized that the staff memo suggested favorable recommendation of this petition

(see copy of report on file).

Mr. Tong of the Hawaii Planning Commission advised that upon approval of the petition by the Land Use Commission, his agency will take up the matter of rezoning. He added that Kealakehe School was proposed for the area and the plan was to use the same access to get into the ILWU site so that there was no ingress or egress problem.

Commissioner Inaba moved to approve the petition as recommended by staff, seconded by Commissioner Nishimura, and the motion was passed unanimously.

PETITION BY HAWAII HOUSING AUTHORITY (A68-185) TO RECLASSIFY 2.4 ACRES FROM AGRICULTURAL TO URBAN AT HONOKAA, HAMAKUA DISTRICT, HAWAII

A recommendation for approval of the petition was presented by staff since the proposed site meets the requirements peculiar to a low-cost housing project for the elderly and its proximity to the necessary amenities. (See copy of report on file.)

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

PETITION BY TADASHI IMAIZUMI (A68-188) TO RECLASSIFY 32.45 ACRES FROM AGRICULTURAL TO URBAN AT WAIAKEA, SOUTH HILO, HAWAII

Mr. Duran reiterated staff recommendation that parcel 20 comprising 16.6 acres be included in the Urban District, but that parcel 15 comprising 15.8 acres be retained in the Agricultural District since urban development should logically be confined to the east of the new highway (see copy of report on file).

Mr. Kenneth Griffin of the Realty Investment Company representing Mr. Imaizumi took exception to staff's recommendation and argued that the Commission previously approved a piece of property bordering Komohana Street about a mile on the Puna side of subject property for 900 feet in addition to the existing thousand feet from Ainaho to Haihai Street, bringing the total to approximately 1,900 feet. In comparison, subject property at the farthest point from Komohana Street is 1,000 feet and 662 feet at the closest point. He submitted

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that it would make for a much better development to plan the lower area as well as the upper level for residential purposes. It was his thinking that this was a prime area for residential development being close to all the amenities. He requested that the total area of 32.5 acres be approved for urbanization.

Mr. Tong of the Hawaii Planning Commission advised that the County's recommendation for approval of the total area was based on the premise that this would open up new areas and that the County CIP shows a future connected street from Ainaho down into Honokawai Street, thus giving greater emphasis to the urbanization of the area. He added that the area carried a residential designation under the Hawaii County General Plan.

Mr. Duran explained that at the time the Commission established the boundaries, Komohana Extension was not physically on the ground and it was staff's feeling that this was now merely a district boundary adjustment utilizing the physical boundary on the ground as the logical line for the Urban District. Also, due to the number of vacant acres in the Hilo Urban District, it was difficult to justify going beyond this point at this time. In view of the comprehensive study which will be conducted in the near future, Mr. Duran emphasized that all of these properties, below the road as well as the possibility of expanding above the road, will be subject to review.

Responding to Commissioner Murakami's query, Mr. Griffin indicated that their improvement costs determined that the 15 acres were needed to make the development economically feasible. However, they would still proceed with the plans even if only the 16 acres were approved. The demand for this development was attested to by the fact that Mr. Griffin's office has received numerous calls from interested persons.

Mr. Duran pointed out that the petitioner also owns an adjacent 20 acres which would be developed with the 16 acres recommended by staff for approval.

Commissioner Murakami wondered whether the decision could be deferred until November 15, the date of the next meeting on Hawaii. Mr. Pai advised that this was contrary to the mandates of the Land Use Law, except on grounds where hardship could be determined.

Commissioner Inaba moved for approval of the entire 32.5 acres as requested by the petitioner, which was seconded by

Commissioner Murakami. The motion was defeated by the following votes:

Ayes: Commissioners Inaba, Kido, Napier, Nishimura, Murakami

Nays: Chairman Choi, Commissioners Wung, Mark

Chairman Choi asked Mr. Griffin if he would be agreeable to having only the 16 acres rezoned which received a favorable reply.

Commissioner Wung then moved to accept the staff's recommendation, which was seconded by Commissioner Mark, and the motion was passed unanimously.

PETITION BY MILILANI TOWN, INC. (A68-182) TO RECLASSIFY 22.3 ACRES FROM AGRICULTURAL TO URBAN AT WAIPIO, OAHU

Staff memo was presented by Mr. Leong recommending approval of the petition since it would eliminate a small remnant agricultural pocket, the proposal is in conformity with the City's DLUM, and it abuts a rapidly developing Urban District (see copy of report on file).

It was reported that no new evidence had been received by staff since the date action on this petition was deferred.

Commissioner Napier moved that staff recommendation be approved which was seconded by Commissioner Nishimura.

Prior to taking a poll on the motion, Chairman Choi suggested that since the roadway alignment had not been finalized and the location of the turn-around may also change, it might be more prudent to contain the boundary change within the actual roadway alignment. Mr. Leong observed that this alignment may not be finalized by the next year or two. Mr. Duran further advised that the Commission could not approve a motion without a definite physical boundary.

Commissioner Napier reiterated his earlier motion, and it was passed unanimously.

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APPLICATION BY KAUAI HELICOPTERS (SP68-53) FOR A SPECIAL PERMIT TO OPERATE A HELIPORT IN AN AGRICULTURAL DISTRICT AT LIHUE, KAUAI

Commissioner Nishimura requested deferment of action on the application since a full Commission was not present and particularly Mr. Burns.

Mr. Duran advised that this matter had already been extended once on the basis of obtaining additional information which staff was now prepared to present. Upon checking with the airport manager, it was established that space was available at the airport for a heliport, although the facilities such as hangars, sheds, etc., would have to be constructed which would take a minimum of six months.

Mr. Reynolds of Kauai Helicopters differed in his impression of the six-month period and said it was his understanding that this referred to acquisition of the land since this was presently in cane.

With respect to deferral of the application, Mr. Pai advised that applicant could request deferment based on hardship.

Mr. Reynolds then requested an extension of time for action on the application. Chairman Choi directed that this be reflected in the records.

Mr. Reynolds submitted that the estimated cost of \$23,500 for the installation of the two storage tanks at KTOH Radio Station reflected in the letter from Mr. Toguchi, Fire Chief, as reported in the staff report was not an accurate figure. The total cost did not exceed \$7,000; and this may be checked out with the Standard Oil Company, the vendor. These had been installed prior to the denial of the initial special permit request by the Land Use Commission.

Chairman Choi advised Mr. Reynolds that the extension was granted and that he would be notified of the next meeting date when this will appear on the agenda.

SPECIAL PERMIT APPLICATION BY GILBERT HAY SP(T) 62-7

Executive Officer advised that subsequent to the County's request for a clarification of the pending development on this special permit, Mr. Hay has been in contact with Mr. Suefuji,

Director of the Hawaii Planning Commission, who requested that the request be withdrawn since all of the development problems have been resolved. Mr. Suefuji, however, urged that the Commission review all special permits with no time limit and fix a construction period.

EXTENSION REQUEST ON SPECIAL PERMIT BY RICHARD SMART (SP66-34)

A chronological account of the special permit from the date of the original grant on October 29, 1966, by the Land Use Commission, the six months' extension granted on January 12, 1968, and the second six months' extension granted by the Hawaii County on August 16, 1968, was reported in the staff memo (see copy of report on file).

Mr. Duran elaborated that the second extension granted by the County would expire on October 28, 1968, if approved by the Land Use Commission. It was pointed out that there was a question of the validity of the special permit since there was a time lag between the time when the first extension expired in April, 1968, and the granting of the second extension in August, 1968, by the County.

Mr. Tong of the Hawaii Planning Commission advised that his office had reviewed the plans which were up for approval for Mauna Kea Motors, who were leasing the land from Richard Smart. Since construction plans were being processed, Mr. Duran suggested an eight-month extension.

Commissioner Napier moved that an eight-month extension be granted to the applicant which was seconded by Commissioner Wung. The motion was carried.

NEXT MEETING DATE

October 25, 1968, was chosen as the next date for the Land Use Commission meeting on Kauai.

Since there was no further business, the meeting was adjourned.