

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)
KALUA KOI CORPORATION)
To reclassify approximately)
1,014.6 acres of land at)
Kaluakoi, Molokai, Hawaii,)
Tax Map Key: 5-1-3: 29 and)
Portions of 1, 9 and 22; and)
5-1-6: 77)

DOCKET NO. A82-542

KALUA KOI CORPORATION

This is to certify that this is a true and correct
copy of the document on file in the office of the
State Land Use Commission, Honolulu, Hawaii.

12/28/82

Date

By

Executive Officer

DECISION AND ORDER

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_____)	

FINDINGS OF FACT, CONCLUSIONS OF LAW
AND DECISION AND ORDER

This land use boundary amendment petition was initiated by the petition of Kalua Koi Corporation (hereinafter referenced to as "Petitioner") pursuant to Chapter 205, Hawaii Revised Statutes, and the Rules of Practice and Procedure of the Land Use Commission, State of Hawaii, to amend the land use district boundaries of the above-captioned lands (hereinafter referenced to as "subject properties") and the Land Use Commission (hereinafter referenced to as "Commission"), having heard the testimony and examined the evidence as presented at the hearings held on March 21 and 22, 1983, and April 7 and 8, 1983, and May 18, 1983, hereby makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

PROCEDURAL MATTERS

1. Kalua Koi, a Hawaii Corporation, filed this

petition to amend the State Land Use Districts for the subject properties at Kaluakoi, Island of Molokai on November 15, 1982.

2. A prehearing conference was held on March 14, 1983.

3. The hearings were held on March 21 and 22, April 7 and 8, and May 18, 1983, at Kaluakoi, Island of Molokai, pursuant to notices published on February 14, April 1, and April 25, 1983 in the Maui News and The Honolulu Advertiser.

4. The Land Use Commission received one timely request for intervention from the Office of Hawaiian Affairs (hereinafter referred to as "OHA") and two timely requests to appear as public witnesses from Mr. Glenn Nanod and Mark Bleuenstein. At a meeting on March 15, 1983, the Commission approved the request for intervention by OHA and the two timely requests to appear as public witnesses. In addition, the following appeared as public witnesses before the Commission: Walter Ritte, Glenn Teves, Collete Machado, Wilma Grambusch, Fay Huff, and DeGray Vanderbilt.

5. All persons who made requests to testify as public witnesses, whether such requests were timely or untimely made, and who appeared to testify at the hearings on the Petition were allowed to testify.

6. On March 29, 1983, OHA filed a written Motion for Partial Summary Denial of Petition concerning a 23.8 acre site of the proposed reclassification from the Agricultural District to the Urban District and a written Motion for On Site Inspection. In addition, on April 12, 1983, OHA filed a written Motion for Directed Decision or Partial Denial of Petition pertaining to the said 23.8 acre site.

7. On May 10, 1983, the Commission issued a written Order Denying Intervenor's Motion for Partial Summary Denial of Petition; and on May 27, 1983, the Commission issued an Order Denying Intervenor's Motion for Directed Decision for Partial Denial of Petition and an Order Denying Intervenor's Motion for On Site Inspection.

8. On April 7, 1983, OHA requested of the Commission that the site of the April 8, 1983 hearing be moved from the Kalua Koi site to the District Courthouse in Kaunakakai which request was denied.

DESCRIPTION OF THE SUBJECT PROPERTY

9. The subject property is situated at Kaluakoi at the west end of the island of Molokai, County of Maui, State of Hawaii. The subject property is approximately 6 miles northwest of Maunaloa Town and approximately 15 to 20 miles west of Kaunakakai.

10. Access to the site is from Maunaloa Highway, a public highway, Kalua Koi Road and Kaka'ako Road.

11. Kalua Koi owns the subject properties in fee simple and requests the following:

<u>Tax Map Key</u>	<u>Requested Reclassification</u>	<u>Area</u>
a. 5-1-03: portions of 1, 9 and 22	Urban to Rural District	924.7 acres
b. 5-1-03: portion of 1	Agriculture to Rural District	54.6 acres
c. 5-1-03: 29	Agriculture to Urban District	11.5 acres
d. 5-1-06: 77	Agriculture to Urban District	23.8 acres
Total Acreage Requested for Reclassification		<u>1,014.6 acres</u>

12. The subject properties are currently undeveloped and maintained as open space. The 23.8 acre site is currently being used as a construction storage area.

13. The overall topography of the subject property gradually rises from the 120-foot elevation to the 480-foot elevation with an average slope of four percent. Approximately 70 percent of the property is less than 20 percent in slope, and the remaining 30 percent constitutes steeper lands and gulches.

14. The subject property consists primarily of two general soil types. One soil type is of the Molokai series which is found in the open areas between the major gulches. These soils are predominantly silty clay loam which is comprised of material that is well-drained and the runoff of which is slow to medium and erosion is not a factor. Its Capability Classification, according to the U.S.D.A. Soil Conservation Service, ranges from IIe to IVe when irrigated. These are considered to have moderate to severe limitations that reduce the choice of

plants that may be grown or that require special conservation practices, or both. When nonirrigated, these soils have very severe limitations. The other general soil type is of the rock or stony variety located in the steep lands and deep ravines or gulches.

15. The subject property falls within the potential vegetation zone of kiawe and lowland shrubs which is typical on all major islands of Hawaii in areas below 1,000 feet elevation which receive less than 20 inches of rainfall per year.

PROPOSAL FOR DEVELOPMENT

16. The Petitioner's proposed land uses within the subject property of 1,014.6 are as follows:

<u>Proposed Use</u>	<u>Acreage</u>
Rural-Residential 3/4 acre lots	465.0
Recreation Center (2)	13.0
Residential Multi-Family	23.8
Commercial Resort Shopping Facility	11.5
Open Space Open/Road	<u>501.3</u>
Total	1,014.6

17. The Petitioner proposes to develop a substantial portion of the subject property into a low-density rural residential subdivision that would consist of approximately 495

lots. The proposed lots, approximately three-quarter acre in size, would be developed in clusters of 40 to 120 lots and be surrounded by more than 500 acres of open space. The proposed development will include two recreation centers of 8 and 5 acres, respectively, and an 11.5-acre resort shopping facility.

18. The Petitioner also proposes that the 23.8-acre site which is separated from the rest of the subject property be developed for a 240-unit two-story multi-family residential development.

19. The Petitioner proposes to develop the subject property as part of, and to be integrated with, the existing Kalua Koi resort area development. A major objective of the rural residential lots is to develop a quiet, country residence in an open nonurban setting within the resort community. The rural residential lots are also expected to provide a balance with and support for Kalua Koi's existing and future resort facilities.

20. The Petitioner intends to sell the rural residential 3/4-acre lots in fee simple at current market price levels ranging from \$75,000.00 to \$100,000.00 per lot.

21. The improvements for the subject property are proposed to be developed in several phases over a 5- to 10-year period. The first phase will be the development of approximately 117 rural lots located mauka of the 5-acre recreation center which is also included in the first phase. The second and subsequent phases are to be developed in a successively mauka fashion. The development of the commercial site would follow the completion of a majority of the rural lots and of certain

resort area developments which are not within the subject property. The rural lots and commercial site are expected to be ready for market within three to five years. The multi-family residential development on the 23.8-acre parcel is expected to be constructed in the later stages of the development within the next five to ten years.

22. The Petitioner intends to develop all roads, infrastructure and the two recreation centers. The purchaser of each rural lot is expected to build his own home, and the purchaser or a third-party developer of the commercial and multi-family residential development are expected to build the shopping facility and multi-family residential units. The Petitioner estimates that its cost of development proposed for the subject property is about \$13.5 million.

STATE AND COUNTY PLANS AND PROGRAMS

23. The subject property is made up of four portions within existing State Land Use Districts, as follows:

<u>Portion</u>	<u>State Land Use District</u>
924.7 acres	Urban
54.6 acres	Agricultural
11.5 acres	Agricultural
23.8 acres	Agricultural

24. The State Tourism Plan Technical Reference Document, dated October 1981, designates the Kaluakoi development area in

West Molokai as a visitor destination area.

25. The existing Molokai Island General Plan Map No. 17 identifies Kaluakoi as a major hotel resort area.

26. The General Plan for the County of Maui requires that regional community plans be developed to establish detailed land uses to implement the policies of the General Plan. Pursuant to the General Plan, the Molokai Community Plan has been developed and approved by the Maui County Planning Commission and sent to the County Council for adoption.

27. The policies and objectives of the Hawaii State Planning Act were used as guidelines in the development of the proposed Molokai Community Plan which included elements relating to social, economic and environmental policies and objectives.

28. The proposal for the rural residential development and the commercial area is consistent with the proposed Molokai Community Plan. The proposal for the 23.8-acre multi-family residential development does not conform to the proposed Molokai Community Plan.

29. The present Maui County zoning for the subject property primarily reflects urban development: A-1 and A-2 (apartment) R-2 (residential) and B-1 (business). Those portions of the subject property in the State Land Use Agricultural Districts are not zoned by the County.

30. Currently, substantially all of the subject property is within the Special Management Area, thereby subjecting it to the Special Management Area Rules and Regulations of the County of Maui.

31. Maui County Planning Department (MCPD), Department of Planning and Economic Development of the State of Hawaii (DPED and OHA, who are parties in this Docket, all have no objection to the proposed reclassification of 924.7 acres of the subject property from Urban District to Rural District.

32. MCPD has no objection to the proposed reclassification of 11.5 acres from Agricultural District to Urban District and of 54.6 acres from Agricultural District to Rural District but opposes the proposed reclassification of 23.8 acres from Agricultural District to Urban District.

33. DPED has no objection to the proposed reclassification of 11.5 acres from Agricultural District to Urban District but opposes the proposed reclassification of 54.6 acres from Agricultural District to Rural District and of 23.8 acres from Agricultural District to Urban District.

34. OHA opposes the proposed reclassification of the 11.5 acres from the Agricultural to the Urban District, 54.6 acres from the Agricultural to the Rural District and 23.8 acres from the Agricultural to the Urban District.

NEED FOR GROWTH AND DEVELOPMENT

35. The general economic outlook of the island of Molokai is less than favorable. The anticipated agricultural venture of United Brands did not materialize. Del Monte's pineapple operation will shut down and be concluded in 1983.

36. Presently, in Molokai, approximately 250 to 300 persons are employed in agriculture, about 250 persons in State

government, about 150 persons in County government, and about 250 to 300 persons in the service industries. The Kalua Koi resort development employs about 250 persons, and is one of the largest employers on the island of Molokai.

37. With the closure of Del Monte, a major employment base disappears, and a large segment of the 250 to 300 persons now employed in agriculture would become unemployed and may out-migrate if no substitute employment is available.

38. The Kalua Koi Resort development, of which the subject property is a part, is a significant employment and economic base to the island of Molokai, the continued growth and development of which will tend to contribute to the well-being of the Molokai community.

39. The need for the rural subdivision is indicated by the demand for lots in other subdivisions within the Kalua Koi resort area. The Moana Makani Subdivision consisting of 34 lots averaging 45 acres and \$162,000.00 per lot sold within 11 months with sales beginning 1979. The Molokai Fairways Lots consisted of 16 lots averaging 14,000 square feet and \$115,000.00 per lot. Thirteen of the lots were offered for sale in 1980 and were sold within 3 months. The Papohaku Ranchlands Subdivision consists of about 270 lots averaging 7.5 acres and \$269,000.00 per lot. Since sales began, 41 lots have been sold over a period of 13 months for an average rate of sale of 37 lots per year.

40. According to expert testimony of Petitioner's market consultant, Ming Chew, the size and price of the rural lots will be more desirable indicating a faster rate of sale than the

experience of the other subdivisions in the Kalua Koi resort area. It is projected that about 400 of the rural lots would be sold over a period of 4 to 5 years.

41. With the Del Monte closure, it is anticipated that the economic activity in central Molokai will decline resulting in population shifts to other economic centers such as the Kalua Koi resort development. Such impact would tend to enhance and generate additional residential demand for property in the Kalua Koi area.

42. The commercial land use analysis by Petitioner's market consultant, Ming Chew, which is based upon forecasted conditions relative to estimated on-site visitor-related retail spending at the Kalua Koi resort indicates a potential demand capable of supporting approximately 57,000 to 69,400 square feet of free-standing commercial sales floor area. This requires an estimated 11.4 to 13.9 acres of commercial land area during the 1985 to 1990 period.

IMPACTS ON RESOURCES OF THE AREA

Agricultural Resources

43. According to the Agricultural Lands of Importance to the State of Hawaii (ALISH) classification system, no part of the subject property is classified "Prime" or "Unique." Approximately one-half of the subject property is classified as "Other Important Agricultural Land" and the other one-half of the subject property is "Unclassified."

44. The Master Productivity Rating formulated by the

Land Study Bureau classifies the subject property as D and E indicating productivity potential of this soil to be poor to very poor when nonirrigated.

45. Petitioner's agricultural consultant, Agro Industrial Associates, Inc., conducted a study of the subject property (excepting the 23.8-acre parcel) and concluded that it has no commercial agricultural potential except for limited grazing. The limitations are:

a. Insufficient water for commercial agriculture except on a very small area. The 15-inch annual rainfall is insufficient to support unirrigated agriculture.

b. High cost of water.

c. Poor soils, limited area with even marginal crop potential, broken by badly eroded lands, rocky lands and steep gulches.

d. Molokai's overall market limitations and cost limitations for most crops, even if they could be produced commercially.

46. The subject property is in a relatively dry area with rainfall of approximately 15 inches per year.

47. With respect to the 54.6-acre portion (of the subject property) which is within the State Land Use Agricultural District, approximately three-fourths of the 54.6 acres fall within U.S.D.A. Soils Conservation Service Classification soil type rVT2 which is described as "very stony land, eroded." Also, about three-fourths of the 54.6 acres are not classified as Agricultural Lands of Importance to the State of Hawaii (ALISH).

48. The Department of Agriculture of the State of Hawaii and the U.S.D.A. Soil Conservation Service, which agencies were solicited for comments, have not made any objection to the proposed reclassification requested by the Petition.

Natural Resources

49. There are no endangered or threatened plant and fauna species on the subject property.

50. The proposed development on the subject property will not have any significant adverse effect on flora or fauna because the species are primarily exotic and common elsewhere. The native species are also common throughout the islands.

51. Fauna species displaced by the proposed development will readily relocate and repopulate in surrounding lands without exceeding the carrying capacity of those lands.

Water Resources

52. The current source for domestic water for the entire Kalua Koi resort area, including the subject property, is Well No. 17 which is owned by Petitioner and located at Kualapuu in the East Molokai region. The source has an existing water capacity in excess of 2.0 million gallons per day (MGD). Petitioner is presently limited to transport up to 2.0 MGD from the source to the resort area, including the subject property, through the Molokai Irrigation System under an agreement with the State of Hawaii. The proposed rural subdivision, commercial and multi-family residential development on the property will require about 0.47 MGD. The current demand and projected demand for the

development of the entire Kalua Koi resort area lands, including the 0.47 MGD for the subject property, is 1.99 MGD. Such demand will be met through Petitioner's existing source supplemented by the re-use of 0.56 MGD of treated sewage effluent for golf course irrigation demand. If necessary, additional water resources can be developed.

Archaeological and Historic Resources

53. Petitioner's archaeological consultant, Chiniago, Inc., conducted an archaeological survey of the subject property and reported only one site which may be a possible midden deposit, the only evidence for which consists of two basalt flakes and four pieces of beach rock lying on an eroded hillside.

54. The archaeological consultant recommends that controlled archaeological excavations should be carried out to determine if a midden deposit exists before Petitioner begins construction on the site. Otherwise, the archaeological consultant has no objection to the proposed development on the subject property.

55. Archaeological sites outside of the subject property would not be impacted by the proposed development of the subject property inasmuch as they are located some 500 to 1,200 feet away from the subject property. Additionally, some of such sites are being currently addressed by the Petitioner and the County of Maui.

56. No part of the subject property is designated a

historic site under the National Register or the Hawaii Register as provided for in the Historic Preservation Act.

Environmental Resources

57. Petitioner's air quality consultant, J. W. Morrow, testified that the proposed development will contribute to both long-term and short-term degradation of air quality in the area which is inevitable due to the nature of the indirect sources and the almost pristine conditions presently existing. This contribution, however, will be relatively small and is not expected to result in violation of the present very stringent Hawaii ambient air quality standards.

58. Although higher vehicular traffic volumes will occur from continued long-term development of the Kalua Koi resort area lands, including the subject property, the traffic noise will remain well below the level at which significant adverse effects may be expected. Projected peak noise levels at major roadway intersections are slightly in excess of the preferred design standards only during peak traffic hours of the busiest months of the year but would not violate any applicable governmental regulations.

59. The proposed development on the subject property is low-rise. Only 20 to 30 percent of the proposed rural subdivision is visible from Kalua Koi Road. Views from the State highway are distant or not obtainable. The rural density and the required design standards allow view corridors to be easily maintained. The commercial site and the multi-family residential site are

more visible from Kalua Koi Road, but, because of the low-rise feature required by design standards, the impact is modest.

Coastal Waters

60. Surface drainage from the proposed rural subdivision and the commercial site will run off into the Kaka'ako, Pohaku-mauliuli and Kawakiu gulches, the flow from which could eventually end up in the coastal waters. None of the gulches carry a perpetual flow of water but are susceptible to large flows after heavy rainstorms. Surface drainage from the 23.8 acre multi-family residential site will run off into the golf course.

61. The inclusion of the roadway system in the subject property will generate surfaces that are impermeable, and the run-off potential to coastal waters would increase in those areas. The proposed drywell system will mitigate run-off so that the run-off will be modest and freer of dirt than it is now. The impermeable surfaces will replace some eroded areas and will effect a fair amount of reduction in erosion potential thereby reducing silt flow into coastal waters and improving the quality of run-off.

62. The rural subdivision will be serviced by cesspools. The significant distance of the rural subdivision from the coastal waters and the earth's adequate filtering capacity as determined by percolation tests of Geolabs Hawaii and its geological engineers indicate that the coastal waters will not be affected. The sewage treatment plant which will service the proposed commercial and multi-family sites does not discharge into the

coastal waters.

Recreational Resources

63. Almost all of the subject property in its present condition is relatively inaccessible without roadways, is undeveloped, and has no apparent recreational value.

64. The development of Kalua Koi resort area lands, of which the subject property is a part, has been a growing source of recreational opportunities for the Molokai community.

a. Petitioner is committed to dedicate to the County of Maui a ten-acre park at Papohaku Beach, a five-acre site within the Papohaku Ranchlands subdivision for public use as the Maui County shall determine, a five-acre park at Kawakiu as the Kalua Koi development moves into the Kawakiu area.

b. Shoreline accesses with parking spaces are being constructed by Petitioner for public access to the shoreline along Papohaku Beach.

c. Petitioner has made available its golf course for a junior golf program and to the Molokai High School golf team without charge. Special golf rates not afforded to persons outside of Molokai, are offered to Molokai residents. The tennis courts have also been made available to the Molokai High School.

PUBLIC SERVICES AND FACILITIES

Electricity and Utility Services

65. Molokai Electric Company and Hawaiian Telephone Company will provide power and telephone services to the subject property. The power and telephone lines will be installed

underground by Petitioner.

Water

66. The water system that serves the Kalua Koi resort area lands, including the subject property is privately owned and maintained by Petitioner. Its current source is Well No. 17 which is owned by Petitioner and located at Kualapuu in the East Molokai region. The off-site transmission line that carries the water from the well to the subject property consists of two systems. The first system which connects the water source to Petitioner's pipeline at Makana is owned by the State of Hawaii and is known as the Molokai Irrigation System. Petitioner has an agreement with the State to use the State's line for transmission of up to 2.0 MGD. The State's transmission line traverses Central Molokai to approximately 4 miles from Kalua Koi at Makana, where the second system begins. At Makana one of two pumps withdraws Petitioner's water from the State system and delivers it through Petitioner's pipeline, storage, and filter-chlorination plant to the Kalua Koi resort area lands including the subject property.

Sewage Disposal

67. Petitioner presently operates and maintains its own sewage collection and wastewater treatment facility to which the commercial and multi-family residential developments are proposed to be connected. The sewage collection system is not readily accessible to the rural subdivision which will be serviced by cesspools or septic tanks. According to preliminary percolation test, cesspools extended into the underlying basalt

rock formation are able to achieve adequate percolation rates for sewage disposal.

Solid Waste

68. Currently the collection and disposal of solid waste for the Kalua Koi resort area lands are performed by private contractors. Petitioner intends to continue this practice of contract service for collection and disposal of solid waste generated from the proposed development on subject property.

Roadway and Highway Services

69. Access to the subject property is from Maunaloa Highway, a public highway, over and across Kalua Koi Road and Kaka'ako Road. Kaka'ako Road intersects Kalua Koi Road near the Sheraton-Molokai Hotel and extends north approximately 2,000 feet to Lio Place. Kaka'ako Road will be extended northward from which primary access will be provided to the three collector roads that will serve the proposed rural subdivision. The 11.5-acre commercial site abuts Kalua Koi Road and the 23.8-acre multi-family residential site will abut Kalua Koi Road as extended.

70. The total vehicular trips projected during peak hour traffic of 915 vehicles per hour (vph) and 745 vph on Kalua Koi Road and Kaka'ako Road, based on consideration of all existing and planned development, including the subject property, and the Kalua Koi resort area as an integrated whole, can be adequately accommodated by the present capacities of 1,200 vph and 1,565 vph on Kalua Koi Road and Kaka'ako Road.

71. The heaviest traffic volume is expected at the

corner of Kalua Koi Road and Kaka'ako Gulch. Even under the worse conditions the level of service that may occur is no worse than "D" on a scale of A to E at that corner. Level of service D may occur in some 15 to 20 years at full build out of the entire Kalua Koi resort area lands, including the subject property.

72. The level of service today for all roads within the Kalua Koi resort area is "A."

73. The Department of Transportation of the State of Hawaii was solicited for comments and had no objection to the proposed reclassification requested by the Petitioner.

Drainage

74. There are no drainage problems associated with the subject property. Drainage from the proposed rural subdivision and the commercial site will flow into the three well-defined gulches, namely, Kaka'ako, Pohakumauliuli and Kawakiu. Because of the well-defined channels of the gulches and the higher elevation of the rural subdivision and the commercial site areas, drainage does not present a hazard. The 23.8 acre proposed multi-family residential site drains toward the golf course and presents no problem. The site does have a potential for tsunami at the lower areas of the site where about five to ten percent of the area would be exposed. Flooding in the exposed area is expected to be minor, since its 100-year flood would generate a flow of only 360 cubic feet per second.

Schools

75. No significant adverse impact is anticipated on public schools as residents of the proposed development are expected to generate an enrollment increase of only 30 pupils in the elementary schools and 18 pupils in the secondary schools. The nearest K-6 grade school is Maunaloa Elementary which has an enrollment of 84 pupils (1981) and an enrollment capacity of 145. Molokai Intermediate and High School located in Central Molokai has sufficient capacity to accommodate future growth at Kalua Koi.

Police and Firefighter Services

76. There are no police or fire stations in West Molokai. Although police surveillance and fire protection services cover the island's western region, their dispatch stations are located at Hoolehua and Kaunakakai in Central Molokai. Police and fire dispatch facilities within West Molokai may be needed to improve response time for emergency calls. In cooperation with the County of Maui, the Petitioner is reserving adjacent to Kalua Koi's planned resort shopping facility a site for County use for a new police and fire substation.

PREFERENCES FOR DEVELOPMENT

77. For long-term employment, the proposed development on the subject property is expected to create approximately 150 to 160 new jobs, full-time and part-time. The majority of these jobs would be in the retail sales and service establishments at the commercial facilities. Construction activity on the subject property will generate short-term employment.

78. Besides providing direct employment, the proposed development generates indirect employment within industries that supply the goods and services sold to visitors and residents within the subject property.

79. The rural subdivision will involve \$13,300,000.00 of construction cost on the new roadways. General excise tax and improvements to the land will result in net increase in tax revenues for the State and Maui County.

80. In connection with the housing needs which may be generated within the Molokai community by the development of the Kalua Koi resort area lands, including the subject property, Petitioner had dedicated as an outright gift, without consideration, approximately 110 acres of land suitable for employee housing to the County of Maui.

81. The County of Maui is in the process of finalizing an agreement with Molokai Ranch to exchange the County's dedicated land for 110 acres at Maunaloa Town for the County's housing program. The relocation is deemed to be more suitable for residential housing and will assist in maintaining the viability of Maunaloa Town.

CONTIGUITY OF DEVELOPMENT

82. The proposed rural development, commercial shopping facility and the multi-family residential sites are all within the designated Kalua Koi resort area and are intended as integral parts thereof to complement the other areas of the resort.

83. The proposed 11.5-acre commercial site and the

23.8-acre multi-family residential site, intended for urban use, are contiguous to an existing Urban District.

COMPLIANCE WITH STANDARDS FOR DETERMINING DISTRICT BOUNDARIES

84. The proposed rural subdivision development within the subject property is characterized by low-density residential lots of not less than three-fourths acre per lot and a density of not more than one single-family dwelling per lot. Small farm activities are permitted uses for a rural subdivision.

85. Reclassification of the subject property is reasonably necessary to accommodate growth and development to assist in broadening the Molokai community economic and employment base which is adversely affected by the impending closure of Del Monte, and meet indicated demand for the proposed development.

86. The proposed 11.5-acre commercial site and 23.8-acre multi-family residential site are proximately within the resort core area, the character of which is "city-like" in the urban level of services and other related urban land uses.

87. The 54.6-acre, 11.5-acre and 23.8-acre portions of the subject property currently in the Agricultural District have neither a high capacity for agricultural production nor a significant potential for grazing or other agricultural uses.

88. The subject property does not have any adverse geographic or topographic constraints which would hinder or endanger the proposed development, nor is it susceptible to drainage problems, flooding, tsunami inundation, unstable soil conditions or other adverse environmental effects except for

about 5 to 10 percent of the 23.8-acre site which is subject to flooding. The area subject to flooding is to remain an open space.

89. Basic services such as police and fire protection, utilities, sanitation, schools, sewage disposal and recreational areas are now reasonably available, or will be made available to the subject property.

90. The subject property is part of a developing integrated and self-contained resort community.

91. The land uses for the proposed developments are in conformance with the land uses allowed in the proposed Molokai Community Plan except for the 23.8-acre multi-family residential site.

92. The Petitioner, and its parent company, Louisiana Land and Exploration Company have the financial stability and capacity to undertake and complete the proposed development on the subject property.

RULING ON PROPOSED FINDINGS OF FACT

Any of the proposed findings of fact submitted by the Petitioner or other parties not already ruled upon by the Commission by adoption herein, or rejected by clearly contrary findings of fact herein, are hereby denied and rejected.

CONCLUSIONS OF LAW

Pursuant to Chapter 205, Hawaii Revised Statutes, the Rules of Practice and Procedure, and the State Land Use District Regulations, the Commission concludes that the reclassification

of the subject property situated at Kaluakoi, Island of Molokai, consisting of approximately 990.8 acres, and more particularly identified by Tax Map Key Numbers 5-1-03: portion of 1 (969.9 acres), 5-1-03: portion of 9 (8.9 acres), 5-1-03: portion of 22 (0.5 acres), 5-1-03: 29 (11.5 acres), and more particularly described in Exhibit A attached hereto and incorporated by reference herein, in the following manner:

Urban to Rural District:

Tax Map Key 5-1-03: portion of 1 (915.3 acres)
5-1-03: portion of 9 (8.9 acres)
5-1-03: portion of 22 (0.5 acres)

Agricultural to Rural District:

Tax Map Key 5-1-03: portion of 1 (54.6 acres)

Agricultural to Urban District

Tax Map Key 5-1-03: 29 (11.5 acres)

and amendment of the State Land Use District Boundaries is reasonable, nonviolative of Section 205-2, Hawaii Revised Statutes, and consistent with Chapter 226, Hawaii Revised Statutes, the State Plan, and by the State Land Use District Regulation 6-1.

The Commission further concludes that the reclassification of the remaining portion of the subject properties totaling 23.8 acres and more specifically described as TMK 5-1-06: 77 and more particularly described in Exhibit A, from the Agricultural into the Urban District has not been shown to be reasonably necessary, would not conform to the standards established by the State Land Use District Regulations, and would be violative of Section 205-2, HRS, and the State Land Use District Regulation 6-1.

DECISION AND ORDER

IT IS HEREBY ORDERED that the subject properties identified by Tax Map Key Numbers 5-1-03: portion of 1 (969.9 acres), 5-1-03: portion of 9 (8.9 acres), 5-1-03: portion of 22 (0.5 acres), and 5-1-03: 29 (11.5 acres), and more particularly described in Exhibit A attached hereto and incorporated by reference herein, situated at Kaluakoi, Island of Molokai, County of Maui, State of Hawaii shall be and the same is hereby reclassified, as follows:

Urban to Rural District:

Tax Map Key 5-1-03: portion of 1 (915.3 acres)
5-1-03: portion of 9 (8.9 acres)
5-1-03: portion of 22 (0.5 acres)

Agricultural to Rural District:

Tax Map Key 5-1-03: portion of 1 (54.6 acres)

Agricultural to Urban District:

Tax Map Key 5-1-03: 29 (11.5 acres)

and the State Land Use District Boundaries are amended accordingly.

BE IT ALSO ORDERED that the reclassification of TMK 5-1-06: 77 (23.8 acres), from the Agricultural into the Urban District is hereby denied, and will remain in the Agricultural District.

A82-542 - KALUA KOI CORPORATION

Done at Honolulu, Hawaii, this 13th day of December,
1983, per motions on October 4, 1983 and December 13, 1983.

LAND USE COMMISSION
STATE OF HAWAII

By 

RICHARD B. F. CHOY
Vice Chairman and Commissioner

By 

LAWRENCE F. CHUN
Commissioner

By 

SHINSEI MIYASATO
Commissioner

By 

WINONA E. RUBIN
Commissioner

By 

TEOFILO PHIL TACBIAN
Commissioner

By 

ROBERT S. TAMAYE
Commissioner

By 

FREDERICK P. WHITTEMORE
Commissioner

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)	
KALUA KOI CORPORATION)	DOCKET NO. A82-542
To reclassify approximately)	KALUA KOI CORPORATION
1,014.6 acres of land at)	
Kaluakoi, Molokai, Hawaii,)	
Tax Map Key: 5-1-3: 29 and)	
Portions of 1, 9 and 22; and)	
5-1-6: 77)	

CERTIFICATE OF SERVICE

I hereby certify that a copy of the Decision and Order was served upon the following by either hand delivery or depositing the same in the U.S. Postal Service by certified mail:

KENT M. KEITH, Director
Department of Planning and Economic Development
State of Hawaii
250 South King Street
Honolulu, Hawaii 96813

TOSH ISHIKAWA, Planning Director
Planning Department
County of Maui
200 South High Street
Wailuku, Hawaii 96793

JAMES T. FUNAKI
Okamura, Takushi, Funaki & Wee
733 Bishop Street
Suite 1400, Grosvenor Center
Honolulu, Hawaii 96813

WILLIAM TAGUPA
Office of Hawaiian Affairs
Kawaiahao Plaza
567 South King Street, Suite 100
Honolulu, Hawaii 96813

DATED: Honolulu, Hawaii, this 28th day of December, 1983.


GORDAN Y. FURUTANI
Executive Officer

DOCKET NO. A82-542 - KALUA KOI CORPORATION

A certified copy of the Land Use Commission's Decision and Order was served by regular mail to the following on December 28, 1983.

ANNETTE CHOCK, Deputy Attorney General
Department of the Attorney General
State Capitol, 4th Floor
Honolulu, Hawaii 96813

H. RODGER BETTS, Corporation Counsel
Office of the Corporation Counsel
County of Maui
200 South High Street
Wailuku, Hawaii 96793