

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)
ALEXANDER & BALDWIN, INC.)
To Amend the Agricultural Land Use)
District Boundary to Reclassify)
Approximately 29.201 Acres of Land,)
Tax Map Key 3-8-04: 21, and Portions)
of 2 and 24, at Pulehunui, Kihei,)
Island and County of Maui, State of)
Hawaii, into the Urban Land Use District)

DOCKET NO. A82-528

DECISION AND ORDER

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)	
)	
ALEXANDER & BALDWIN, INC.)	DOCKET NO. A82-528
)	
To Amend the Agricultural Land Use)	FINDINGS OF FACT,
District Boundary to Reclassify)	CONCLUSIONS OF LAW,
Approximately 29.201 Acres of Land,)	DECISION AND ORDER
Tax Map Key 3-8-04: 21, and Portions)	
of 2 and 24, at Pulehunui, Kihei,)	
Island and County of Maui, State of)	
Hawaii, into the Urban Land Use District)	
)	

FINDINGS OF FACT,
CONCLUSIONS OF LAW, DECISION AND ORDER

The above-captioned land use boundary amendment proceeding was initiated by the petition of Alexander & Baldwin, Inc., 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 Boundary of certain lands consisting of approximately 29.201 acres (hereinafter, the "subject property") situated at Pulehunui, Kihei, Island of Maui, State of Hawaii, from the Agricultural District to the Urban District. The Land Use Commission, having heard the testimony and examined the evidence presented on the matter during the hearing held on June 8 and 9, 1982 in Kahului, Maui, and having considered the full record in this Docket, hereby makes the following findings of fact and conclusions of law.

FINDINGS OF FACT

PROCEDURAL MATTERS

1. Alexander & Baldwin, Inc. (hereinafter, "Petitioner") filed its petition on February 8, 1982 to amend the Land Use District Boundaries of the subject property at Pulehunui, Kihei, Island and County of Maui, from the Agricultural District into the Urban District.

2. The Land Use Commission (hereinafter, the "Commission")

held a hearing on the petition on June 8 and 9, 1982 at Kahului, Maui, pursuant to notice published in the Maui News and the Honolulu Advertiser on April 30, 1982.

3. There were no petitions to intervene, but the following persons testified as public witnesses:

- a. Harold Reilly, on behalf of Kusuo Azeka, owner of Azeka's Place Shopping Center;
- b. John Bose, II, Chairman of the Maui Group of the Sierra Club;
- c. Wayne Nishiki, Maui County Councilman;
- d. Christine Moschetti, member of the Kihei Canoe Club;
- e. Hans Riecke, Petitioner's consultant architect-designer;
- f. Bob Chambers, owner of the Maui Dive Shop at Azeka's Place.

The Commission also accepted into the record written testimony from Elizabeth Ann Stone, Patricia M. English, Wayne Hawkins, and Bob Jones. The Commission declined acceptance into the record three anonymous letters.

DESCRIPTION OF THE SUBJECT PROPERTY

4. The subject property is located in the northern portion of Kihei at Pulehunui on the Island of Maui, approximately nine (9) miles from Wailuku-Kahului and six (6) miles from Wailea.

5. The subject property consists of approximately 29.201 acres of land bounded by Mokulele Highway to the north, Piilani Highway to the east, Uwapo Road to the South, and Kihei Road to the west. It is identified by Maui Tax Map Key 3-8-04: Parcel 21, and Portions of Parcels 2 and 24 and is illustrated in Exhibit "A", attached hereto and incorporated by reference herein.

6. Alexander & Baldwin, Inc. holds fee simple title to the subject property.

7. Of the 29.201 acres that comprise the subject property, 18.46 acres (TMK: 3-8-04: Portion of 2) is leased to Wailea Development Company for a plant nursery; approximately 0.8 acres (TMK: 3-8-04: 21) is leased to Suda Kihei Store, Inc. and contains a grocery store,

snack shop, gas station, restaurant, and a recycling center drop point; approximately 2.2 acres (TMK: 3-8-04: Portion of 24) is leased to Pfizer Genetics for seed corn cultivation.

8. The U.S. Department of Agriculture Soil Conservation Service's Soil Survey classifies the soil of the subject property as Pulehu Silt Loam, 0 to 3 percent slopes (PpA). This soil is of moderate permeability, and runoff is slow. The erosion hazard is slight. The SCS rates the agricultural capability of the soil as "weak" or IVc on a scale of I through VIII, with I indicating the highest capability.

9. The subject property has an average slope of 1.33 percent. Elevations above mean sea level range from approximately 5 feet at Kihei Road to approximately 20 feet at Piilani Highway.

10. The subject property is located in an arid area that receives less than 15 inches of rain annually. The area may experience as many as 340 rainless days a year, but during the intermittent periods of heavy rain a high energy stream flows through Waiakoa Gulch which bisects the subject property enroute to the ocean. During such rain storms, the subject property and adjoining areas are subject to soil erosion and flooding.

11. According to the Flood Insurance Rate Map prepared for the County of Maui by the Federal Insurance Administration, portions of the subject property are within an area of potential tsunami inundation, designated Zone VI8. The approximate 100-year tsunami elevation in the area is 11 to 12 feet above mean sea level. The 100-year event has a one percent chance of being equaled or exceeded in any given year.

12. The Land Study Bureau of the University of Hawaii assigns the soil on the subject property an overall master productivity soil rating of class "E" or "very poor" for agricultural use.

13. The Agricultural Lands of Importance to the State of Hawaii (ALISH) classification system designates the subject property as "Prime Agricultural Land."

PROPOSAL FOR DEVELOPMENT

14. The Petitioner proposes to develop a community shopping center and office complex called the "Kihei Gateway" on the subject property. The subject property will be consolidated with an adjacent parcel of 0.437-acre (TMK: 3-8-04: Portion 19) to form a project area of approximately 29.63 acres. The shopping center is planned for the southern portion of the subject property, on the south side of Waiakoa Gulch, while the office complex is planned for the northern portion, on the opposite side of the gulch. A vehicular and pedestrian bridge is proposed to connect the two areas.

15. The community shopping complex will consist of approximately 221,150 square feet of commercial retail space of which 3,600 square feet is currently designated for a service station and 20,500 square feet is designated for a building supply complex. Approximately 45,000 square feet of office space is planned within the development. Total parking for over 1,300 vehicles will be provided.

16. Development on the subject property is expected to commence by early 1986 and is expected to be completed within 18 months. The occupancy of the project is anticipated by mid-1987.

17. Total estimated cost for development is projected at 24.4 million dollars. This cost includes onsite and offsite improvements, construction of buildings, landscaping and other legal and professional fees and expenses.

18. The Petitioner has the financial capability to undertake and complete the developments proposed.

19. Preliminary lease rental for the shopping complex is estimated at \$1.50 per square foot. Preliminary lease rentals for the office complex are estimated at between \$1.00 and \$1.20 per square foot for upper floors, and \$1.30 to \$1.40 per square foot for ground floors. All estimates are based upon 1982 dollars.

STATE AND COUNTY PLANS AND PROGRAMS

20. The subject property is designated as agricultural by the State Land Use Commission as shown on Land Use District Map M-6 (Maalaea). Lands to the north and east are classified Agricultural; lands to the south and west are classified Urban.

21. The County General Plan Map adopted in 1975 designates most of the subject property for open space, with the area including and around the Suda Store designated for business. Under the proposed Kihei-Makena Community Plan, the majority of the subject property is designated for business/commercial, with only the gulch area designated for open space.

22. Appropriate County zoning and a special management area permit must be obtained for the subject property prior to initiating the proposed developments.

NEED FOR GROWTH AND DEVELOPMENT

23. The Kihei-Makena area has experienced rapid population growth from 1,643 residents in 1970 to 7,262 residents in 1980, representing an increase of nearly 350 percent. The Petitioner estimates that while 11.6 percent of Maui Island's population currently resides in the market area of the proposed project, the percentage is expected to approach 18 percent by the year 2000.

24. Petitioner's Market Study indicates that by 1987, the target date for the opening of the proposed complex, the combined retail and office space demand will approximate 262,000 square feet.

25. The market analysis shows a growing deficit of commercial and retail space within the trade area and concludes that the Kihei Gateway project will assist in alleviating the deficit. The following table summarizes the projected demand, supply, and unsatisfied demand for retail and office space in the Kihei market area.

KIHEI RETAIL AND OFFICE SPACE DEMAND,
1980-2000 (000 Square Feet)

	<u>1980</u>	<u>1985</u>	<u>1987</u>	<u>1990</u>	<u>1992</u>	<u>2000</u>
Projected Retail Requirements:	325	520	604	729	796	1065
Projected Retail Supply:	334	454	454	557	557	557
Unsatisfied Demand:	-0-	66	150	172	239	508
Projected Office Requirements:	120	173	193	223	250	366
Projected Office Supply:	38	81	81	139	139	139
Unsatisfied Demand:	82	92	112	84	111	227
Total Unsatisfied Demand: (Retail and Office)	82	158	262	256	350	735

26. The proposed complex will provide area consumers with a commercial development at the northern portion of Kihei as an alternative to the existing commercial sites in Central Kihei. At present, the non-visitor oriented shopping opportunities occur primarily in Central Kihei area and further south in the Kalama Park area. The development will offer both the first and last shopping opportunity to consumers entering and leaving Kihei, and will be highly visible and accessible from three major roadways.

27. The subject property is not suitable for continued agricultural use because of its relatively small size and its contiguity to lands being developed for urban uses.

IMPACTS UPON RESOURCES OF THE AREA

Archaeological and Historical Resources

28. Dr. Robert J. Hommon and Hamilton M. Ahlo, Jr. conducted a reconnaissance survey of the subject property on August 30, 1981 which yielded no evidence of archaeological or historical features, sites or deposits. The survey report states that no further archaeological work is warranted, but recommends that the County of Maui, the State Historic Preservation Officer and a qualified archaeologist be consulted if archaeological material is found during ground-disturbing activities.

29. The Department of Land and Natural Resources confirms that although the subject property does not contain any known sites that are eligible for or currently listed on the Hawaii or National Registers of Historic Places, archaeological sites found on adjoining parcels indicate a high probability that previously unidentified resources exist in the proposed project area.

Agriculture

30. Wailea Development Company expects to relocate its entire nursery operation from the subject property to Wailea by the end of 1982, and does not expect any adverse effects due to the proposed development. Pfizer Genetics anticipates that the loss of the 2.2 acres currently planted in seed corn will not substantially affect the overall viability of its enterprise.

31. The State Department of Agriculture has designated the subject property as "Prime Agricultural Land" under its Agricultural Lands of Importance to the State of Hawaii (ALISH) classification, but states that: "In light of the characteristics of the subject property including its relatively marginal productive potential, poor physical accessibility for agricultural use, and the expected minimal disruption of two existing agricultural enterprises, the Department is of the opinion that there will be no immediate significant adverse effects upon the agricultural resources of the area as a result of the implementation of the subject proposal."

32. The Department of Agriculture's concern about the long-term impetus for urbanization resulting from the proposed commercial complex is mitigated by the fact that major highways separate the subject property from canefields to the north and east.

Air Quality

33. The air quality in the vicinity of the subject property will be degraded by dust and vehicle emissions during the construction period. Any adverse impacts will be minimized by mitigation measures and will be localized and temporary.

34. Air pollutants from automobile traffic after completion of the project are not expected to exceed State or federal air quality standards.

35. The Petitioner is aware of the fact that the proposed shopping center and office complex, because of its location in close proximity to sugarcane fields, may be affected by dust arising from sugarcane harvesting in the Puunene area (north of the site) during the windy summer months. Dust complaints due to sugarcane operations have been reported to the Department of Health by residents in this portion of Kihei.

Noise

36. No significant adverse impacts are anticipated due to noise from construction activities and the daily operations of the proposed shopping center and office complex.

Recreation

37. The subject property has little or no value as a recreational resource.

Scenic Resources

38. The proposed developments will enhance the visual quality of the area through environmental design measures applied to both buildings and landscaping.

Flora and Fauna

39. Both flora and fauna on the subject property are of common species; none are rare, threatened or endangered.

Water Quality and Coastal Resources

40. The proposed development will increase the impervious surfaces on the subject property which will increase the amount of storm runoff into the Waiakoa Gulch and out into Maalaea Bay. This runoff may contain waterborne pollutants, such as from the service station proposed at the foot of Waiakoa Gulch. The Petitioner concurs that impacts from vehicle cleaning and waste oil can be expected, and has suggested measures to minimize adverse impacts, such as holding, recycling or cleaning water before it enters

the drainage system, and the use of submerged tanks to retain non-domestic wastewater. The State Department of Land and Natural Resources has suggested that the proposed service station be located away from Waiakoa Gulch, at a site which cannot be inundated by runoff water.

41. The increase in surface runoff into Waiakoa Gulch from the petition area is insignificant and will cause no significant impact upon the water resources of the area.

42. The drainage improvements contemplated by the Petitioner will significantly improve beach erosion problems makai of the petition area by concentrating the beach erosion in a smaller area.

ADEQUACY OF PUBLIC SERVICES AND FACILITIES

Access and Roadways

43. Current access to the subject property is from both Kihei Road and Uwapo Road. In addition, the Petitioner proposes to provide access to the proposed project from Mokulele Highway. Internal circulation between the shopping center and office complex is proposed by way of a bridge which will cross Waiakoa Gulch.

44. Petitioner projects approximately 10,634 daily vehicle trips to the proposed project. Approximately 80 percent of these trips are expected to be generated by the retail component.

45. Peak hour traffic generated by the development has been estimated at 158 trips for a.m. peak hours and 1,204 trips for p.m. peak hours.

46. In addition to widened and improved roadways, Petitioner proposes to mitigate potential traffic conflicts by posting speed limits and providing special lanes for merging and turning vehicles. Obstructing vegetation would be cut back to assure adequate sight distance around curves.

Drainage

47. The Petitioner plans to install an internal drainage

system designed to collect and convey storm runoff into Waiakoa Gulch which transverses the subject property.

48. To preclude runoff water overflowing the Waiakoa Gulch in the vicinity of Kihei Road and the subject property during major storms the Petitioner proposes to channelize and increase the depth of the gulch through the subject property, increase the capacity for drainage under Kihei Road by building a new bridge with a channel width of 35 feet, and raise the level of Kihei Road going across the bridge by 2.6 feet. Whereas the largest storm recorded in the Kihei area registered a peak runoff of 1,560 cubic feet per second (cfs), the channel to be developed by the Petitioner will accommodate 2,580 cfs. The 18 cfs increase in runoff projected from the proposed development will be insignificant relative to the total drainage capacity of the improved channel.

49. Portions of the subject property are subject to tsunami inundation and lie within the coastal high hazard zone (V18). In addition, other portions of the property are within the 100-year flood plain of Waiakoa Stream. However, no apparent significant adverse environmental impacts are anticipated provided the necessary drainage improvements such as elevating Kihei Road at the Waiakoa crossing are constructed.

Electricity and Telephone

50. Hawaiian Telephone Company and Maui Electric Company have provided assurances that their current systems are adequate to serve the proposed development.

Fire and Police Protection

51. Fire fighting services are available to the proposed development from the Kihei Fire Station located approximately 4 miles to the south. Police units from the main station in Wailuku will be on patrol in the area of the proposed retail-office complex.

Parks and Recreation

52. Kihei Wharf and the unimproved State Beach Reserve area are situated on the makai side of the subject property.

Presently, canoe clubs use the sandy beach area to store and launch their canoes.

53. The undeveloped triangular parcel across Mokulele Highway owned by the Petitioner is also designated for Park use. The Petitioner plans to landscape portions of this parcel that will be visible by the public to tie in with the proposed development.

Schools

54. No direct impact is expected upon public schools within the Kihei-Makena region. The Kihei Elementary School is situated approximately 2.5 miles from the project site and Maui High School is located in Kahului, approximately 7.4 miles away.

Sewage Treatment and Disposal

55. The development of the project will generate an average daily sewage flow of approximately 90,000 gallons per day. The Kihei Sewage Treatment Plant and sewage system improvements to be provided by the Petitioner will be able to handle the sewage flow from the proposed project.

Solid Waste Disposal

56. Solid waste disposal services will be provided by a private refuse collector.

Water Service

57. The Petitioner estimates that the maximum daily water demand for the proposed shopping center and office complex is 0.270 million gallons per day (mgd). Fire flow needs of the project are estimated at 1,000 gallons per minute (gpm).

58. There are currently several waterlines within the vicinity of the site. These include a 12-inch and 6-inch diameter line along Mokulele Highway, a 6-inch diameter line along Kihei Road and an 18-inch diameter line along Piilani Highway. In addition, a 12-inch diameter line will be constructed along Uwapo Road as part of the offsite improvements for the adjacent Maui 100 Partners development. This line appears to be adequate to service the adjacent project as well as the subject "Kihei Gateway" complex.

59. The water storage needs for the project will be adequately met by a 2.0 million gallon concrete storage tank located approximately 7,500 ft. southeast of the project site at an elevation of 220 feet.

CONFORMITY TO STANDARDS FOR DETERMINING DISTRICT BOUNDARIES

60. The subject property is located at Kihei, a major center of trading and employment on Maui, characterized by "city-like" concentrations of people, structures, streets, urban level of services, and other related urban land uses.

61. The subject property will provide a needed area for urban growth. The proposed development is economically feasible and is needed to provide commercial-zoned property for the immediate and future needs of the community.

62. The proposed development on the subject property will not contribute to scattered or spot urban development. The subject property is contiguous to lands within the existing Urban District, and development of the proposed shopping center and office complex will create a new center of trading and employment.

63. Basic public facilities and services are already available to the subject property or can be made available at reasonable cost to the Petitioner.

64. The subject property contains satisfactory topography, and will be developed with drainage and other improvements that will keep it reasonably free from the danger of floods, tsunami, unstable soil conditions, and other adverse environmental effects.

65. No significant adverse effects upon agricultural, natural, environmental, recreational, scenic, historic, or other resources of the area, are anticipated from the proposed development.

66. The Petitioner has the financial capability to develop the proposed project in a timely manner.

67. The County of Maui's proposed Kihei-Makena Community Plan designates the subject property for business-commercial use.

68. Both the Department of Planning and Economic Development of the State of Hawaii and the Planning Department of the County of Maui support reclassification of the subject property into the Urban District.

RULING ON PROPOSED FINDINGS

Any of the proposed findings of fact submitted by the Petitioner or the other parties to this proceeding not already ruled upon by the Land Use 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, and Rules of Practice and Procedure and District Regulations of the State Land Use Commission, the Commission finds upon the clear preponderance of the evidence that the proposed boundary amendment does conform to the standards established for the Urban District by the State Land Use District Regulations, is reasonable, and is not violative of Section 205-2 Hawaii Revised Statutes, as amended; and is consistent with the Hawaii State Plan, as set forth in Chapter 226, Hawaii Revised Statutes as amended.

DECISION AND ORDER

IT IS HEREBY ORDERED that the land which is the subject of the petition of Alexander & Baldwin, Inc. in Docket No. A82-528, consisting of approximately 29.201 acres at Pulehunui, Kihei, Island and County of Maui, State of Hawaii, illustrated in Exhibit "A" attached hereto and identified by Tax Map Keys 3-8-04: 21, and Portions of 2 and 24, is hereby reclassified from the Agricultural District into the Urban District, and the Land Use District Boundaries are amended accordingly.

Done at Honolulu, Hawaii, this 2nd day of December, 1982 per Motions on September 16, 1982 and December 2, 1982.

LAND USE COMMISSION
STATE OF HAWAII

By - Disqualified -
WILLIAM W. L. YUEN
Chairman and Commissioner

By *Richard B. F. Choy*
RICHARD B. F. CHOY
Vice Chairman and Commissioner

By *Lawrence F. Chun*
LAWRENCE F. CHUN
Commissioner


By *Shinsei Miyasato*
SHINSEI MIYASATO
Commissioner

By *Winona E. Rubin*
WINONA E. RUBIN
Commissioner

By *T. P. Sachian*
TEOFILO PHIL TACBIAN
Commissioner

By *Robert S. Tamaye*
ROBERT S. TAMAYE
Commissioner

By *Frederick P. Whittemore*
FREDERICK P. WHITTEMORE
Commissioner

 AREA RECLASSIFIED
FROM AGRICULTURAL TO URBAN

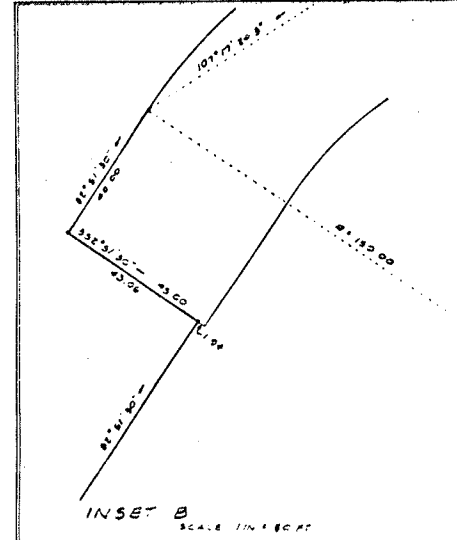
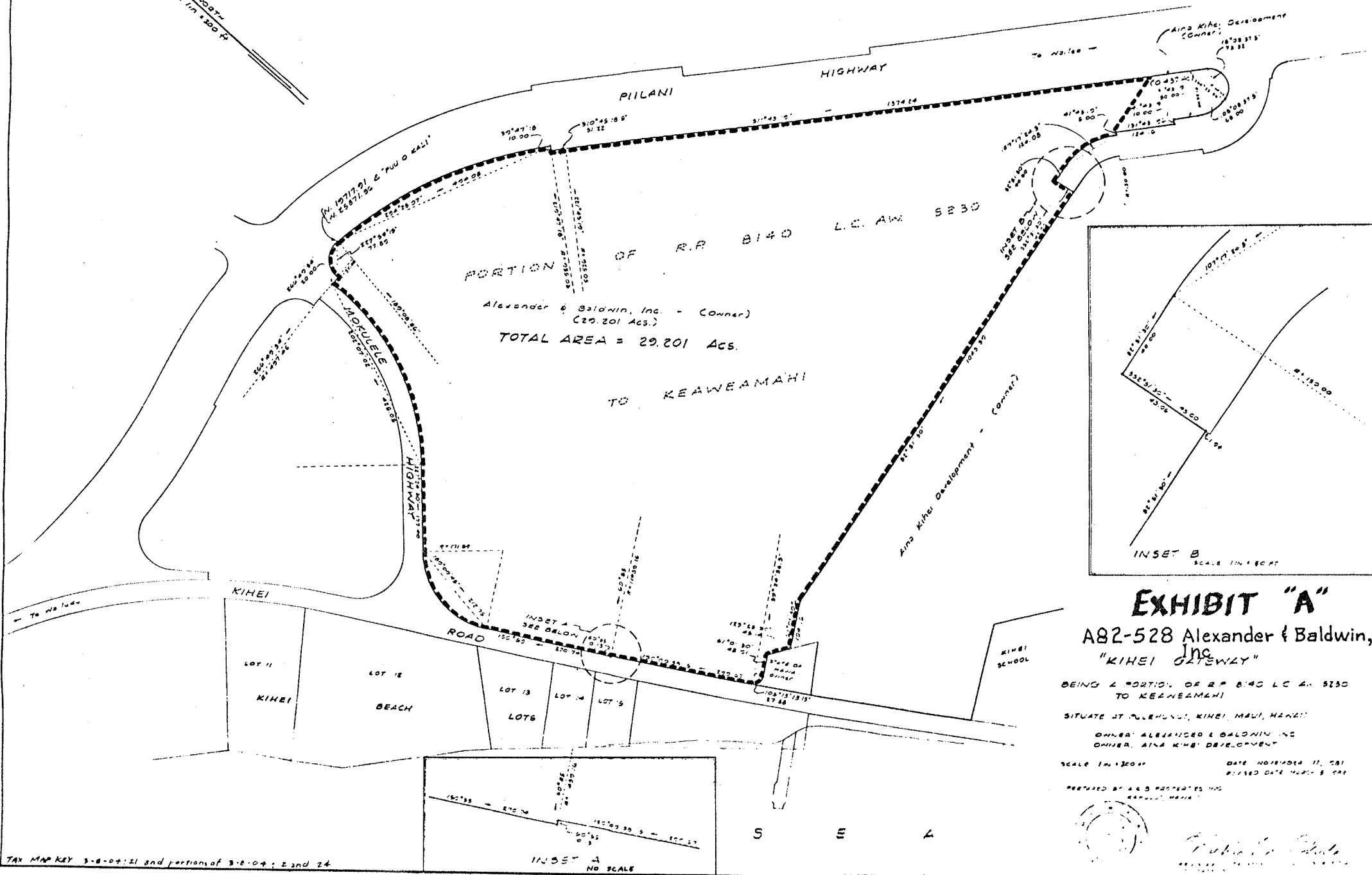
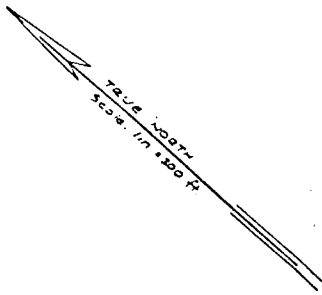


EXHIBIT "A"

A82-528 Alexander & Baldwin, Inc.
"KIHEI GATEWAY"

BEING A PORTION OF R.R. 8140 L.C. AW. 5230 TO KEAWEAMAHI

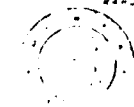
SITUATE IN MALENAHUA, KIHEI, MAUI, HAWAII

OWNER: ALEXANDER & BALDWIN, INC.
OWNER: AINA KIHEI DEVELOPMENT

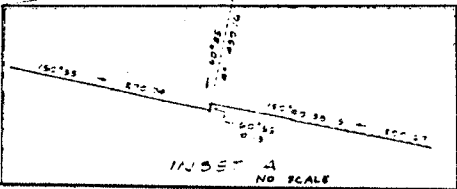
SCALE 1 IN 1200 FT

DATE NOVEMBER 11, 1991
REVISED DATE MARCH 8, 1992

PREPARED BY A&B PROPERTIES, INC.
HONOLULU, HAWAII



Robert L. White
Surveyor
No. 1234



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Hawaii, into the Urban Land Use District)

CERTIFICATE OF SERVICE

I hereby certify that a copy of the Land Use Commission's 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:

HIDETO KONO, Director
Department of Planning and Economic Development
State of Hawaii
250 South King Street
Honolulu, Hawaii 96813

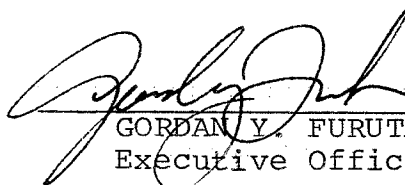
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DATED: Honolulu, Hawaii, this 3rd day of December, 1982.


GORDAN Y. FURUTANI
Executive Officer