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DTS 202408011303SO

Coastal Zone
Management
Program

August 13, 2024

Environmental Review
Program

TO: Daniel Orodener, Executive Officer
Land Use Commission

Land Use Commission

FROM: Mary Alice Evans, Director
Office of Planning and Sustainable Development

Mary Alice Evans

Land Use Division

Special Plans Branch

SUBJECT: Docket No. SP73-147 Makakilo Quarry (2007/SUP-6)
Grace Pacific LLC ("Petitioner")
TMKs: 9-2-003: Por. 074 and 082 ("Upper Quarry"); 9-1-016: 004
("Lower Quarry")

State Transit-Oriented
Development

Statewide Geographic
Information System

Statewide
Sustainability Branch

On July 23, 2023, the Department of Planning and Permitting, City and County of Honolulu ("DPP") accepted for processing an application ("Petition") to amend the Makakilo Quarry State Special Permit identified as State Land Use Commission ("LUC") Docket No. SP73-147 (also DPP File No. 2007/SUP-6) ("Special Permit"). On July 29, 2024, the City and County of Honolulu's Planning Commission ("PC") transmitted its Findings of Fact, Conclusions of Law, and Decision and Order dated May 29, 2024 ("2024 D&O") along with the complete record to the LUC for final approval. The Petitioner is requesting: (1) an extension of Makakilo Quarry resource extraction and processing operations by 15 years to 2047; (2) to reshape the area approved for resource extraction; (3) expanding the operation hours of certain activities in the quarry to 24 hours a day, seven days a week; and (4) the operation of a ready-mix concrete plant in the quarry pit. The Petition Area involves 536.9 acres in the State Land Use Agricultural District, which is comprised of lands mauka of the H-1 Freeway ("Upper Quarry") and lands makai of the H-1 Freeway ("Lower Quarry").

Having reviewed the complete record transmitted from the PC on July 29, 2024, the Office of Planning and Sustainable Development (OPSD) recommends the LUC approve the Petition subject to OPSD's recommended modification to the PC's 2024 D&O, Condition No. 2 with respect to the Closure Grading Plan, as further elaborated in Section V of this letter.

I. BACKGROUND

The Makakilo Quarry began operations under a special permit approved by the LUC on March 23, 1973. At that time, lands surrounding the quarry consisted primarily of sugarcane fields, pastureland, and open space. In 1977,

the O‘ahu General Plan envisioned the creation of a “Second City” in Kapolei to create affordable housing and jobs outside of Honolulu’s Primary Urban Center. Since then, significant urban development has transformed the once undeveloped character of the area surrounding the quarry. The residential communities of Makakilo are now, in some instances, directly adjoining the Petition Area. When processing activities were occurring in the Lower Quarry, impacts on these communities were substantial. Homes adjacent to the Lower Quarry in the subdivisions of Kapolei Knolls and Malanai Iki were located approximately 200 feet downwind from the processing facilities.

On October 5, 2007, the Petitioner filed for a modification to extend the life of the Special Permit and expand the area of quarry excavation until the year 2032. Residents from the surrounding Kapolei and Makakilo communities were vocal about the impacts of the quarry, such as dust, odor, views, and noise.¹ They were also concerned about the end use of the quarry and advocated for plans for re-use and renaturalization of the quarry pit, defining final closure grades. A request for intervention was filed on July 31, 2008. To address concerns, the Petitioner agreed to relocate all processing activities at the Lower Quarry and proposed a final grading plan that would create a natural sloping quarry face that would support the regrowth of vegetation and screen views from certain vantage points during quarry operations and upon final closure. The request for intervention was withdrawn after agreements were made between the Petitioner and those representing opposition to the 2007 Special Permit modification request.

On November 6, 2008, the LUC adopted the PC’s approval of the application subject to 16 conditions (“2008 D&O”), including the following conditions relevant to the immediate Petition:

...

3. All resource extraction, related aggregate processing and concrete and asphalt production activities, including recycling activities shall cease by December 31, 2032. Final beneficial re-use plans as approved by the Department of Planning and Permitting shall be implemented immediately upon the cessation of said resource extraction and related quarrying activities.

4. The Applicant shall close the processing site on Parcel 4 by relocating all uses on the site into the quarry pit or Campbell Industrial Park by December 31, 2012, and Parcel 4 shall be returned to landscaped open space use within six (6) years of the date of the Land Use Commission's Decision and Order. A landscape plan shall be submitted to the Director of Planning and Permitting for review and approval on the second anniversary date of the Land Use Commission’s Decision and Order and the approved landscape plan

¹ Refer to the complete record of the 2007/SUP-7 proceedings, transmitted to the LUC on September 12, 2008 (<https://luc.hawaii.gov/completed-dockets/special-permits/oahu/sp73-147/2008-sp/>).

shall be implemented within one (1) year of its approval. Landscaping shall be maintained in a natural state for the life of the Special Use Permit.

5. Beginning January 1, 2012, quarry operations shall be limited to the following days/hours:

- a. Quarry excavation, crushing, stockpiling, equipment maintenance, and recycling facility -6:00 a.m. to 6:00 p.m., Monday to Saturday.
- b. Hot-mix asphalt plant -6:00 a.m. to 6:00 p.m., Monday to Friday.
- c. Unloading of cold-planned asphaltic concrete during re-paving jobs -6:00 p.m. to 10:00 p.m., Sunday to Friday.

6. Except for quarry, recycling activities in the quarry, and renaturalization activities, the remainder of Tax Map Key: 9-2-03:74 shall remain in open space buffer for the life of the quarry and related activities. Minor accessory uses or structures may be permitted on Parcel 74 with the express written consent of the Director of Planning and Permitting. Any other uses shall be processed pursuant to Section 205-6, Hawai'i Revised Statutes.

...

15. The uses in the quarry excavation area shall be limited to rock excavation, crushing, stockpiling, a new hot-mix asphalt plant, recycling of concrete rubble, glass, and asphaltic concrete pavement, equipment maintenance, employee support, parking, administration, and a water well and pump. No other uses shall be permitted without the approval of the Land Use Commission.

16. The Applicant shall establish the quarry expansion in substantial compliance with the representations made to the Land Use Commission in obtaining the Land Use Commission Special Permit. Failure to do so may result in the revocation of the permit.

II. OPSD'S POSITION ON THE PETITIONER'S REQUESTS

OPSD recommends approval of the Petitioner's four requests, specifically the amendment of Condition No. 3 to extend Makakilo Quarry resource extraction and processing operations by 15 years to 2047, the reshaping of the area approved for resource extraction, the amendment of Condition No. 5 to expand the operation hours of certain activities in the quarry to 24 hours a day, seven days a week, and the amendment of Condition Nos. 15 and 16 to allow the operation of a ready-mix concrete plant in the quarry pit.

A. Amending Condition No. 3 of the 2008 D&O to Extend the Special Permit Termination Date to 2047

OPSD supports the Petitioner's request to extend the Special Permit termination date from the year 2032 to 2047. The Makakilo Quarry serves an important role in the construction activities required to implement the planned buildout of West O'ahu by providing a local source of rock aggregate, concrete, asphalt, and recycling services within the proximity of West O'ahu construction sites. If rock extraction activities at the Makakilo Quarry were to cease, the two other O'ahu quarries in Hālawā and Kapa'a would need to substantially increase rock production to satisfy construction demand. Otherwise, O'ahu would need to import rock aggregate from off-island. Both situations lead to increased costs for private and public consumers. The Petitioner estimates around 15 million tons of aggregate still exists in the approved excavation area, which would be exhausted between 2040 and 2042. The requested excavation area expansion would add another 12.8 million tons of aggregate. High-quality rock in other areas of the island exists; however, relocation of the quarry is not feasible for the Petitioner.

Additionally, the Petitioner's submissions of consistent and detailed Annual Compliance Reports, along with a willingness to host agency staff visits, have demonstrated a continual good faith effort to comply with the 2007/SUP-6 conditions of approval. Since the 2008 D&O, the Petitioner has fulfilled its promise to the community to relocate all processing activities into the Upper Quarry and convert the Lower Quarry into landscaped open space. It is our understanding that the Petitioner has fostered a good relationship with the surrounding communities that were once vocally opposed to the quarry's operations. Broader community understanding is likely attributed to the commitments the Petitioner made during the 2008 Special Permit proceedings, which have significantly reduced impacts. The number of recorded complaints made to the Petitioner's community hotline is minimal.

B. Reshaping the Area Approved for Resource Extraction

OPSD supports the Petitioner's request to expand the area of excavation, which is required to continue resource extraction until the year 2047. However, OPSD has concerns regarding the impact of the proposed changes and recommends mitigative conditions, as described in further detail in Sections II and V of this letter.

As required by Condition No. 1.a. of the 2007/SUP-6 Decision and Order, the existing metes and bounds site plan of the 536.9-acre Petition Area, dated October 25, 2010, shows the areas approved for Buffer Area (passive open space, no major grading); Berming, Landscaping, and Grading Area (renaturalization and final grading); Processing Area; Excavation Area; and Conveyor Tunnel (no longer in use).² The Site Plan was predicated on the 2008 final grading

² The approved site plan is provided in the 2024 DPP Director's Report as "Exhibit 7" (<https://luc.hawaii.gov/wp-content/uploads/2024/07/SP73-147-GPC-2024-07-29-PC-Record-Exhibit-02.pdf>).

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plans.³ The Petition involves adding 15.6 acres of “Bermin, Landscape, and Grading Area” on the western perimeter of the quarry pit while removing the same amount around the northeast and southwestern perimeters. The Petition states that the removal of 15.6 acres, meant for renaturalization and final grading, is intended to “result in no net change to the size of the permitted area and would result in a net increase in the linear distance of the area reserved as a ‘buffer’ from the surrounding community.” Additionally, the Petition requests an expansion of the area approved for resource excavation, 13.4 acres further up the slopes of Pu‘u Makakilo.⁴ The purpose of the expansion is to access a seam of approximately 12.8 million tons of additional high-quality rock.

OPSD does not concur with the Petitioner’s assessment that the removal of 15.6 acres of mitigative “Bermin, Landscaping, and Grading Area” proposed by the Petitioner would provide a benefit to the surrounding community. Removal of the northeastern portion would significantly reduce the size of a large berm, intended to screen views of the northern and western pit walls from the westbound H-1 Freeway approach to Kapolei. Our position on this matter is further elaborated in Section II of this letter, relating to final closure grading plans and renaturalization commitments.

C. Amending Condition No. 5 of the 2008 D&O to Expand the Operation Hours of Certain Activities in the Quarry to 24 Hours, Seven Days a Week

OPSD supports Petitioner’s request to amend Condition No. 5 to allow sales activities, equipment and vehicle maintenance, the receipt of recycling materials, operation of a hot-mix asphalt plant, and operation of a concrete ready-mix batch plant to 24 hours a day, 7 days a week.⁵ Currently, the Petitioner operates a ready-mix concrete plant in the quarry pit and a hot-mix asphalt plant at the Campbell Industrial Park during the permitted operation hours between 6 a.m. and 6 p.m. Ready-mix concrete and hot-mix asphalt must be utilized within two hours after processing. Due to the narrow timeframe, the Petitioner must transport aggregate off-site for processing at the Campbell Industrial Park processing site in Kalaeloa. Changing the hours of operation would allow the Petitioner to operate the ready-mix concrete batching plant and hot-mix asphalt plant in the quarry pit at night. The Petitioner indicates that 50 percent of the Makakilo Quarry-produced paving materials for road work are supplied outside their permitted operating hours between 6 p.m. and 6 a.m. The expanded operating hours would negate the need for the Petitioner to transport aggregate off-site for processing, which would improve financial outcomes for the Petitioner, who has reported negative earnings in recent years.

³ As provided in “Exhibit 21” of the record transmitted to the LUC on September 12, 2008 (<https://luc.hawaii.gov/wp-content/uploads/2024/03/SP73-147-Makakilo-2008-09-12-CCHNL-SP-Application-EX-21.pdf>)

⁴ Exhibit “G-3” of the Petition displays the proposed site plan.

⁵ Refer to the 2024 DPP Director’s Report, Table 2

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The proposed amendment would also have beneficial external impacts. The proposed 24-hour operations would centralize trucking and would reduce the amount of truck traffic to the Campbell Industrial Park processing site in Kalaeloa, thereby reducing the carbon footprint of the quarry's trucking operations. It would also lead to cost savings for the City and County of Honolulu and State of Hawai'i road and highway paving work. Additionally, studies provided in the Petition conclude that nighttime operations would not impact surrounding communities. Crushing, recycling, excavation, and blasting would still operate from 6 a.m. to 6 p.m. Monday to Saturday. The PC's 2024 D&O provides additional conditions that address potential nighttime light, noise, and odor impacts.

D. Amend Condition No. 15 & 16 of the 2008 D&O to Allow Operation of a Ready-Mix Concrete Batch Plant in the Quarry Pit

OPSD supports the request to locate and operate a ready-mix concrete batching plant in the quarry pit located in the Upper Quarry. During the 2008 Special Permit proceedings, when negotiating ways to reduce quarry impacts with the DPP, the Petitioner proposed the relocation of the ready-mix concrete batching plant from the Lower Quarry to an off-site location; rather than to the Upper Quarry.⁶ At the time, the Petitioner intended to locate the asphalt and concrete plants off-site so they could be operated 24 hours. Consequently, Condition No. 15 does not list a concrete batch plant as a permitted use in the quarry pit, and Condition No. 5 does not specify hours of operation for a concrete batch plant. However, if the Petitioner demonstrated intent to relocate the concrete batch plant to Upper Quarry in 2008, it is likely the request would have been allowed. And as stated in Section II.C. above, the operation of a ready-mix concrete batch plant on-site with 24-hour operations would lead to beneficial impacts in the form of cost savings and reduced traffic.

III. FINAL CLOSURE GRADING PLANS AND RENATURALIZATION

The Findings of Fact ("FoF") No. 40 of the 2008 D&O reads:

"The Applicant's Closure Grading Plan dated June 5, 2008, calls for (1) a screening berm of up to 40 feet above finish grade and extending from the quarry pit access road to an elevation of 725 feet along the northern ridgeline; (2) a smaller berm between the quarry pit and the H-1 Freeway; and (3) renaturalization of grades of the former golf course driving range located in the upper valley of Pu'u Makakilo to replicate conditions that existed prior to the mass grading for the golf course. Post-quarry operations also include the incorporation of final landforms that will have slopes no greater than 75 percent to promote long-term soil retention and landscaping. Under the plan, there are no vertical

⁶ As provided in "Exhibit 22" of the record transmitted to the LUC on September 12, 2008 (<https://luc.hawaii.gov/wp-content/uploads/2024/03/SP73-147-Makakilo-2008-09-12-CCHNL-SP-Application-EX-22.pdf>).

cuts, horizontal benches, or exposed rocks. The Applicant intends to implement the final closure grades as represented in its Closure Grading Plan dated June 5, 2008.”

The Petition proposes changes that would supersede elements in the 2008 final closure grading plan.⁷ Specifically, OPSD notes the following:

1. The larger 725-foot screening berm, planned along the northern ridgeline (also referred to as the “Kunia Berm”) has not been constructed. The Kunia Berm is intended to screen views of exposed rockface from the H-1 Westbound approach towards Kapolei, while blending into the existing ridgeline and diverting stormwater from entering the quarry pit. The Petition involves the removal of a large portion of the “Berming, Landscaping & Grading” area, which in effect reduces the size of the Kunia Berm. The proposed berm would still reach 725 feet in height but appears to have lost features that would integrate it into the existing topography.
2. The smaller berm between the quarry pit and H-1 Freeway has been constructed and is successfully screening views of the quarry from the H-1 Freeway.
3. The Kunia Berm is meant to regrade a cut that created a level area where a former unfinished golf course clubhouse once stood. The area being proposed for removal would convert this area into buffer space, thereby eliminating the renaturalization requirement. Additionally, the proposed grading plan shows quarry walls with final landforms containing slopes steeper than 75 percent in some areas. It also involves benching along all faces of the quarry pit with a maximum vertical height of 50 feet and a maximum horizontal width of 15 feet.

Notwithstanding, the Petitioner indicates that renaturalization efforts in the proposed final grading plan, coupled with landscaping plans, would effectively blend the final quarry walls with the surrounding natural environment.

As required by Condition No. 2 of the PC’s 2024 D&O, the 2008 final closure grading plan should be modified if the Petitioner is allowed to excavate beyond the permitted excavation area. However, when comparing the 2008 grading plan with the 2024 proposed changes, OPSD is uncertain whether the proposed changes to the final grading plans are justified or achievable—in particular, whether the long-term soil retention and landscape features covering 50-foot vertical benches can be achieved. Since the proposal includes excavating further up the slopes of Pu‘u Makakilo, it would be logical for mitigative berming and final grading commitments to

⁷ The approved June 5, 2008 final grading plan with cross sections is provided in the 2008 DPP Director’s Report as “Exhibit 8” (<https://luc.hawaii.gov/wp-content/uploads/2024/03/SP73-147-Makakilo-2008-09-12-CCHNL-SP-Application-EX-28.1.pdf>). The proposed final grading plan is provided in the Petition as Exhibit “I”.

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increase, rather than decrease. Based on these concerns, OPSD proposes revisions to Condition No. 2 of the 2024 D&O in Section V. below.

IV. CLARIFICATION ON CONDITION NO. 2 OF THE PC'S D&O, REGARDING FOUR (4) APPROACHES

Condition No. 2 of the 2024 D&O refers to the submittal of a "revised final Closure Grading Plan, showing a visual model of quarry activity in five-year stages from all four approaches to the quarry." The PC's FoF No. 71 and the View Planes Analysis (Exhibit "P" of the Petition) describe five public lines of sight: the H-1 Freeway westbound, the University of Hawai'i at West O'ahu from the Skyline guideway, the Salvation Army Kroc Center, the Kānehili subdivision, and Kealani Avenue. We assume this was a clerical error. The condition should specify the five lines of sight required for the Closure Grading Plan.

V. OPSD'S RECOMMENDATION TO THE LUC

Recognizing the PC's 2024 D&O, OPSD recommends the LUC:

1. Approve the Petitioner's request to (1) extend Makakilo Quarry resource extraction and processing operations by 15 years to 2047; (2) reshape the area approved for resource extraction; (3) expand the operation hours of certain activities in the quarry to 24 hours a day, seven days a week; and (4) operate a ready-mix concrete plant in the quarry pit.
2. Modify the PC's 2024 D&O, Condition No. 2, to read (shown using Ramseyer format over the existing Condition No. 2 in the 2008 D&O with added language underlined and deleted language in strikethrough font and brackets):

Within one (1) year of the Land Use Commission's Decision and Order approving the Special Use Permit, the Applicant shall submit to the Director of Planning and Permitting for review and approval a renaturalization plan in coordination with ~~[the proposed]~~ a revised Closure Grading Plan [for the quarry site and buffer area mauka of the H-1 Freeway showing landscaping details including plant types, sizing and spacing, irrigation facilities and distribution systems], showing a visual model of quarry activity in five-year stages from five (5) public lines of sight: the H-1 Freeway westbound, the University of Hawai'i at West O'ahu, the Salvation Army Kroc Center, the Kānehili subdivision, and Kealani Avenue. The revised grading plan shall provide cross-sections of the pit displaying slopes no greater than 75 percent slope, along with elevations of landforms that blend into the surrounding topography. The specifications described in the 2008 Findings of Fact No. 40, shall be carried forward into the revised grading plan. The revised Site Plan shall be established from the approved revised final grading plan.

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Thank you for the opportunity to comment on the modification to the Makakilo Quarry Special Permit. If you respond to this comment letter, please include DTS 202408011303SO in the subject line. If you have any questions, please contact Brandon Soo at brandon.a.soo@hawaii.gov or (808) 587-2888.

Mahalo,

Mary Alice Evans
Director