STATE OF HAWAII
LAND USE COMMISSION

MEMORANDUM

March 31, 1967
Hilo, Hawaii

TO: Land Use Commission

FROM: Staff

SUBJECT: A66-141 - HAWAII PACIFIC LAND CO., INC.

A public hearing was held on this petition to reclassify approximately 41 acres of land situated at Kealakehe, North Kona, from agricultural to urban on January 13, 1967. The proposal involves the development of a cluster-type subdivision of moderately priced homes.

A recommendation for approval was received from the Hawaii County Planning Commission. At the public hearing, however, the Land Use Commission staff recommended that the petition be denied on the basis that 1) the need for additional urban land has not been substantiated by the petitioner, 2) large tracts of vacant land exist within the Kona Urban District and within scattered non-conforming subdivisions in the area, and 3) the proposed subdivision would violate one of the principal concerns of the Land Use Law--the prevention of scattered subdivisions with expensive, yet reduced, public services.

Since the public hearing, the petitioners have submitted additional data concerned chiefly with enumerating existing and contemplated hotel construction and the resultant increase in the support population.

Using a formula based on 6 new jobs to be created for each hotel unit constructed, the petitioners estimate that a support population as high as 40,750 persons may result in the next few years for the entire North Kona area (see page 5 of rebuttal). This would mean the need for the unbelievable figure of 16,300 new dwelling units in just a few years.

However, it is noted even by the petitioner that the number of jobs generated by the construction of one hotel unit is difficult to predict with any degree of accuracy. The County Planning Commission uses a ratio of 2 employees to one hotel unit; the Bank of Hawaii, a formula of 4 to 1, and the Hawaii Visitors Bureau, the formula of 6 to 1 outlined previously.

The consultant for the petitioner has estimated a 1980 population of 27,345 and the need for 6,800 new dwelling units on the basis of 6 new jobs/hotel unit, each job supporting 2.5 persons, and an average of 4 persons/family.

Even assuming that the consultant's projection is reasonable, the staff finds that the entire Kona population of 10,000 persons plus the estimate of 27,400 persons by 1980 can easily be accommodated within the estimated 3,340 acres of land presently classified urban in the entire Kona area. It is estimated that within the 3,340 acres of urban area a population of 40,000 can be accommodated or 10,000 new dwelling units. In addition, there are approximately 450 acres of land within the rural classification and over 800 vacant lots in the many non-conforming residential subdivisions scattered throughout the Agricultural District in the Kona area. Further, a significant percentage of the present population in Kona reside in the Agricultural District.

The petitioner states in his latest submission that "we fail to see how this subdivision could be deemed a scattered subdivision with all of the developments taking place adjacent to and around it", and refers to the following as evidence of these "developments".

1. The "reclassification" of the Kealakehe Urban District from Agricultural to Urban by the Land Use Commission.
2. The proposed Kealakehe Elementary School construction.

3. The petition for boundary change filed by the Hawaii Housing Authority for development of a housing project.

4. The Honokohau Development Plan for approximately 1,600 acres of State owned land at Kealakehe.

5. The adoption of the General Plan for Kona, zoning the area for low density residential use.

The Land Use Commission staff notes that:

1. The Kealakehe Urban District was never reclassified. The area initially was given an urban classification under temporary districting because of existing use and lot size. It should also be noted that only about 2 dozen homes have been constructed out of 63 lots available for residential development within the Urban District located near the petitioner's land.

2. As mentioned in the staff report of January 13, 1967, a school is a permitted use in an Agricultural District and the proposed Kealakehe School will be the consolidation of 4 elementary schools in the area, including Kailua Elementary.

3. The petition filed by the Hawaii Housing Authority has not been heard or acted on by the Land Use Commission as yet and could hardly be regarded as "developments taking place adjacent to and around" the area of petition.

4. The Department of Land and Natural Resources has a preliminary development plan for the State's Kealakehe lands prepared for the Department of Transportation in 1962. However, it should be pointed out that the feasibility of developing the 1,660+ acres has not been determined as yet. Also worthy of note is that 2/3's

of the land is within a "C" classification.

5. The realization of objectives outlined in a General Plan (which provides growth guidelines for a 20-year period) required adherence to time-tables and certain orders of priorities in the different stages of its development. The development of the Kailua-Keauhou Urban District is only now beginning to stir.

   Huge tracts of vacant lands presently zoned urban are yet to be developed. Until such time as these urban lands near full development, other lands designated by the General Plans of the State and County for urban use should not be rezoned and developed, unless a definite need is evidenced. In this regard, the law provides for periodic reviews of the land use district boundaries. Before 1980 there will be 3 district boundary reviews.

There is no denying that Kona is experiencing growth in tourism and, consequently, urban development. However, the point here is that foreseeable urban growth can and should be contained within the boundaries of the present Urban District. Of the approximately 1,000 acres within the Kailua-Holualoa Urban District, only about 400 acres are in actual urban use. The balance of 600 acres is vacant and represents an urban reserve set aside by this Commission in 1964, based on a 10-year projection. Also in 1964, approximately 940 acres were districted for urban use at Keauhou for Bishop Estate's resort complex. Except for an 18-hole golf course presently under construction, the development of the 940 acres of urban lands, now largely vacant, has hardly begun. There are also approximately 300 acres in the Urban District surrounding and mauka of the airport which are substantially vacant.

The existence of these vast vacant acreages within the Urban Districts

of the Kailua-Keauhou area could hardly be regarded as proof of need for additional urban lands in this area.

In summary, the Land Use Commission staff can only conclude that:

1. Sufficient reserves have been set aside for urban needs for the foreseeable future.
2. The petitioner has not conclusively substantiated the need for additional urban lands in the area.
3. The proposed subdivision would be contrary to one of the principal objectives sought to be accomplished by the Land Use Law and regulations involving scattered urban developments.

Therefore, the original recommendation for disapproval of this petition is maintained.