STATE OF HAWAII
LAND USE COMMISSION

MEMORANDUM

January 19, 1973
1:30 p.m.

TO: Land Use Commission

FROM: Staff

SUBJECT: A72-338 - Mauna Kea Sugar Co., Inc. (Area 2)
A72-339 - Mauna Kea Sugar Co., Inc. (Area 3)
A72-340 - Pepeekeo Sugar Co. (Area 4)
A72-341 - Pepeekeo Sugar Co. (Area 5)

In accordance with the provisions of Section 1.16 of the Land Use District Rules and Regulations, the proceedings relating to the above petitions were consolidated at the public hearing held on November 30, 1973. It is recalled that petition A72-337 submitted by Hawaiian Agricultural Co. to rezone 90 acres from Urban to Agricultural at Pahala and previously designated Area 1, was withdrawn at the petitioner's request at that meeting. Therefore, the remaining 4 petitions are as follows:

From Urban to Agricultural, totaling approximately 108.5 acres

A72-338 (Area 2) Mauna Kea Sugar Co.
Papaikou, South Hilo, Hawaii - 53.7 acres
A72-339 (Area 3) Mauna Kea Sugar Co.
Wainaku, South Hilo, Hawaii - 9 acres
A72-340 (Area 4) Pepeekeo Sugar Co.
Honomu, South Hilo, Hawaii - 45.8 acres

From Agricultural to Urban, totaling approximately 224.6 acres

A72-341 (Area 5) Pepeekeo Sugar Co.
Pepeekeo, South Hilo, Hawaii - 224.6 acres

Areas 2, 3 and 4, which are situated in the Urban Districts of Papaikou, Wainaku and Honomu, and encompassing a total of 108.5 acres, have been recommended for inclusion in the Agricultural District by the Hawaii County Planning Commission since the subject properties meet Agricultural District standards; would be in concert with County goals relating to the preservation of agricultural lands; would allow the petitioner to realize his overall plan and to strengthen his economic status; and would be in conformance with the economic and social goals of Hawaii County.

Staff evaluation of the changes requested in Areas 2, 3 and 4 finds that:

1. Plantation type agricultural activities have been maintained on the subject properties since they were originally designated within the Urban District classification to provide for urban expansion. However, the petitioner plans to accommodate the housing needs of its employees at Pepeekeo and continue cane cultivation on the lands in question in order to economize on its operations. This plan is in conformity with the objectives of the Land Use Law relating to the prevention of scattered urban developments and preservation of agricultural uses.

2. Excluding the areas under petition, other vacant Urban districted lands exist at Area 2 (Papaikou), and Area 4 (Honomu) to accommodate urban growth in the foreseeable future. Area 3 (Wainaku) is fairly well developed; however, adequate and more suitable urban expansion areas are located only one mile away in the City of Hilo.

3. The undesirable aspects of agricultural operations, particularly the dust and noise generated by cane haul traffic, would be incompatible with the continued Urban designation of the subject areas.

4. Retention of the 108.5 acre area in the present classification would not be in the best interests of the public as it will impair economical agricultural production of the sugar companies involved to the detriment of the economy of the State.

Based on the above findings, the staff recommends that Areas 2, 3 and 4 relating to petition A72-338, 339, and 340 respectively, be approved for reclassification from the Urban to the Agricultural District.

Area 5, involving petition A72-341 at Pepeekeo, contains 224.6 acres, according to the staff's planimetric measurements. However, the petitioner originally submitted that the area requested to be reclassified from an Agricultural to an Urban designation encompassed only 190 acres. After the public hearing on this matter on November 30, 1972, a letter dated December 12, 1972, has been received from the petitioner, which is summarized below:

1. With regard to area, the petitioner acknowledges that an omission was made but that their revised measurements indicate an area of 214 acres as compared with the Land Use Commission staff's 224.6 acres. The petitioner requests that, if approval is granted, the area not be made so restrictive so as to preclude adjustments.

2. The proposed development would consolidate the population of seven scattered camps, thus reducing the problem of police and fire defense. The proposed PUD is expected to provide accommodations for retired senior citizens, single employees and small families. An estimated 96 acres will be restored to cane when existing camps are phased out. It was emphasized that they propose to relocate employees "in all of the houses in the scattered camps" to this development. It was noted that the "extent of development on the steeper slopes has yet to be determined when detailed plot plans are completed".

3. It is expected that development will be initiated in June-July, 1973 in areas identified for the PUD, the community center and Area 9, containing a total of 112 single family lots on 37 acres of land. The remaining Areas identified as 6, 7, 10 and 11 will be developed in June-July of 1974, after the cane is harvested.

4. With regard to Price Range, the petitioner indicates that:

   "Previous lot sales to employees have been based on recovering the cost of raw land, development costs and overhead. Original sales in Unit I were about 15¢ per square foot but have increased to 25% per square foot in Unit IV as development costs have increased. Until contracts are negotiated, we cannot accurately predict future sale prices but would expect them to be not less than 50¢ per square foot."

5. The siting of the sewage treatment plant would be subject to the completion of a study by Sunn, Low, Tom and Hara and upon tentative approval by various government agencies. A petition will be later submitted to include this facility.

ANALYSIS

The petitioner explains the shortage in the area under petition by stating that phase 7 of his development plan was erroneously

omitted in the original submission of 190 acres. He further indicates that their revised measurements indicate a total of 214 acres instead of the 224.6 acres arrived at by staff.

Using the tables shown on the development plan which was submitted by the petitioner at the public hearing, the entire area totals 194 acres. This figure includes phase 7 of their development. Therefore, the discrepancy cannot be explained by the omission of that area. Further, the 214 acre revised estimate arrived at lately by petitioner is still a mystery and requires clarification. It is emphasized that the staff has verified its computation of the 225-acre figure.

In his original submittal of August 25, 1972, the petitioner indicated a total of 425 plantation homes between Amauulu and Ninole. In his latest submittal of December 12, 1972, he states that "One of the basic reasons for the entire development is for the relocation of employees in all of the houses in the scattered camps. Since there are at least 52 lots in the area already under development within the existing Urban District, there would be a need, theoretically, of an additional 373 units to accomplish the proposed relocation. Therefore, there is an overage of at least 161 lots in the proposal which is not justified on the basis of the evidence submitted to date. Further, there is some question of whether all of the people affected by the proposed relocation desire to make their homes at Pepeekeo or elsewhere.

The petitioner has not adequately answered the questions posed by the staff at the public hearing relating to the feasibility of residential development along the extremely steep slopes north of Puu Alala as indicated on the development plan. Their latest submittal merely states that "The extent of development on the steeper slopes has yet to be determined when detailed plot plans are completed". It is noted that these areas contain slopes well in excess of 30%.

It is unclear whether the intended land exchange with the State regarding the school site as proposed by the petitioner will be accomplished at agricultural rates or at urban rates. It is noted that the existing Pepeekeo School lot is presently situated within an Urban designation, contains 4.9 acres and is relatively flat. The proposed school site shown on petitioner's plan is presently in the Agricultural District, contains only 3 acres, and is situated alongside a drainage area which may make it unsuitable for the proposed use. Therefore, pending the final selection of a site by the Department of Education, and until some arrangements

have been made for the land exchange, the proposed school site should not be rezoned at this time.

Based on the above analysis, the staff recommends that only a 69.5 acre portion, to include the following, be reclassified from the Agricultural to the Urban District at this time, in order that the petitioner may proceed with his development timetable of December 12, 1972:

Planned Unit Development	-	22.62 acres
Heights Community Center	-	10.27 "
Phase 9	-	36.61
Total Recommendation for Urban		69.50 acres

The development of this area as represented in the petition would accomplish the following:

1. Provide a much needed community center for the existing and future residents of the area.

2. Allow the petitioner to accomplish the initial phase of his development schedule as proposed.

3. Allow the petitioner to develop the PUD with Act 105 participation by the State.

4. Allow the petitioner to proceed with his objectives of phasing out the outlying plantation camps along the Hamakua coast and consolidate these at Pepeekeo.

5. Allow the petitioner to restore the relocated camp areas to cane cultivation.