

BEFORE THE LAND USE COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Petition of	)	DOCKET NO. A87-618
	)	
ISEMOTO CONTRACTING CO., LTD.,	)	ISEMOTO CONTRACTING CO.,
SJA PARTNERSHIP, and MARCH E.	)	LTD., SJA PARTNERSHIP,
TAYLOR	)	and MARCH E. TAYLOR
	)	
To Amend the Conservation Land	)	
Use District Boundary into the	)	
Urban Land Use District for	)	
Approximately 9.9 acres at	)	
Honokohau, North Kona, Hawaii,	)	
State of Hawaii, Tax Map Key	)	
No.: 7-4-08: 33	)	
_____	)	

ORDER ACCEPTING AND ADOPTING THE  
RECOMMENDATION OF HEARING OFFICER

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This matter came on for consideration on April 20, 1989 at the meeting of the Land Use Commission of the State of Hawaii held in Wailuku, Hawaii. Appearing for the Petitioners was Sandra Pechter Schutte, for the Department of Planning, County of Hawaii was Norman Hayashi, and for the Office of State Planning were Abe Mitsuda and counsel John Anderson. Hearing Officer Benjamin M. Matsubara was present but Intervenor Robert McClean did not appear. No exceptions to the hearing officer's report were filed.

Following closing arguments by the parties, the Commission, after careful review of the hearing officer's report and recommendations, the arguments of the parties, the memorandums filed by the parties, the records and files herein, and upon motion duly passed and good cause appearing therefrom,

HEREBY accepts the recommendations of the hearing officer. Accordingly, the Commission hereby adopts the findings of fact, conclusions of law and order as follows:

THE PETITION

This matter arises from a Petition for an amendment to the Hawaii Land Use Commission District Boundaries received on December 11, 1987, pursuant to Section 205-4 of the Hawaii Revised Statutes (hereinafter "HRS"), as amended, and Title 15, Subchapter 3, Chapter 15, Hawaii Administrative Rules, as amended, (hereinafter "Commission Rules"), by ISEMOTO CONTRACTING CO., LTD., a Hawaii corporation; SJA PARTNERSHIP, a Hawaii registered partnership; and MARCH E. TAYLOR, a resident of Kailua-Kona; (hereinafter collectively referred to as "Petitioners") to amend the designation of approximately 9.9 acres of land, situate at Honokohau, North Kona, Island of Hawaii, State of Hawaii, identified as Hawaii Tax Map Key No.: 7-4-08: Parcel 33 (hereinafter referred to as "Property") from the Conservation District to the Urban District.

PURPOSE OF THE PETITION

Petitioners have requested a boundary amendment from Conservation to Urban to develop a 3-lot light industrial subdivision to consist of a construction baseyard for Isemoto Contracting Co., Ltd., on the upper third of the Property; a trucking baseyard for Kona Transportation Company on the middle

third of the Property; and an auto service center for March E. Taylor on the lower third of the Property (also referred to as the "Project").

The Petition has also been submitted in compliance with a condition imposed by the Board of Land and Natural Resources in its approval of Conservation District Use Permit Number HA-870826-2056 which stated "Within 2 years from the date of approval of this permit, the applicant shall submit a petition to the Land Use Commission to redesignate the parcel to another zoning district more appropriate for the type of use."

#### PROCEDURAL MATTERS

Petitioners submitted an Environmental Assessment with the Petition pursuant to Chapter 343, Hawaii Revised Statutes, as amended ("HRS") and Commission Rules Section 15-15-50, on December 11, 1987.

On January 21, 1988, the Commission filed an Order Requiring Petitioners To Prepare An Environmental Impact Statement pursuant to Chapter 343, HRS. The Commission concluded in its Order that Petitioners have failed to provide adequate information with respect to the action's technical and environmental characteristics, description of the affected environment and identification and summary of major impacts and alternatives considered, if any. Petitioners also failed to address the proposed action's long term and cumulative effects on the quality of the surrounding environment.

On August 1, 1988, Petitioners filed their Final Environmental Impact Statement which was subsequently accepted by the Commission by order filed on September 12, 1988. Said order accepting the Final Environmental Impact Statement also ordered that the Petition be accepted for filing as of August 16, 1988.

On November 18, 1988, Robert S. McClean, Trustee of Robert S. McClean Trust filed Petition for Intervention, which was subsequently approved by the Hearings Officer on December 9, 1989 after having received no objections from the parties.

The hearing on the Petition was conducted on December 9, 1988 and February 3, 1989, in Kailua-Kona, Island of Hawaii, pursuant to notice published on November 3, 1988 in the Hawaii Tribune Herald and the Honolulu Advertiser. Petitioners were represented by Sandra Pechter Schutte, Esq. of Roehrig, Roehrig, Wilson, Hara & Schutte; the County of Hawaii was represented by Norman Hayashi and Connie Kiriu; and the Office of State Planning was represented by Abe Mitsuda, Karen Yamamoto, and Ann Ogata-Deal, Esq., Deputy Attorney General.

On December 9, 1988, the Hearings Officer admitted into evidence the timely written public testimony of Representative Virginia Isbell and the untimely written testimony of Elizabeth Ann Stone.

The following witnesses presented testimony:

Petitioners:

Mark Hastert	Principal, Helber, Hastert & Kimura, Planners
Thomas F. Nance	Hydraulic Engineer, Belt, Collins and Associates
David Tamura	Landscape Architect, David Y. Tamura Associates, Inc.
Albert Shiotsuka	Vice President, Kona Transportation Co., and Partner to SJA Partnership
Larry Isemoto	Principal, Isemoto Contracting Co., Ltd.

County of Hawaii:

Connie Kiriu	Staff Planner, Planning Department
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Office of State Planning:

Carlton Ching	Project Coordinator, Housing Finance and Development Corporation
Abe Mitsuda	Division Head, Land Use Division
Roger Evans	Administrator, Office of Conservation and Environmental Affairs, Department of Land and Natural Resources

POSITION OF THE PARTIES

The County of Hawaii - Approval with one condition<sup>1</sup> as follows:

- "2. An annual progress report shall be submitted to the State Land Use Commission and to the County of Hawaii Planning Director prior to the anniversary date of the Decision and Order. The report shall address the status of the development and compliance with condition(s) of approval. This condition shall remain in effect until all conditions of approval have been complied with and the Commission acknowledges that further reports are not required."

<sup>1</sup>/Condition Number "1" was withdrawn by the County of Hawaii on December 9, 1988.

The Office of State Planning - Approval with

conditions as follows:

- "1. The Petitioners shall ensure that a buffer area along the boundary of the petition area fronting the Queen Kaahumanu Highway right-of-way will be preserved to maintain the visual integrity of the Queen Kaahumanu Highway. The Petitioners shall further ensure that the proposed light industrial uses be screened from passing motorists, the Kaloko-Honokohau National Historic Park, and the adjacent Kealakehe lands, by landscaping improvements along the petition area's western and southern boundaries.
- "2. The Petitioners shall participate in the funding and construction of transportation improvements as project access points as identified by the State Department of Transportation. The Petitioners shall also participate in the funding and construction of other on-site and off-site transportation improvements necessitated by the proposed development and in designs and schedules accepted and coordinated with the State Department of Transportation, provided that the extent of the Petitioners' participation shall not exceed the proposed project's share of the increased community traffic impacts in the region and, provided further, that in the event the County adopts an impact fee for transportation improvements, the foregoing requirements shall not include or double-count the cost of any specific traffic improvements which may also be included in the County's impact fee computation.
- "3. The Petitioners shall fund and construct the necessary wastewater disposal improvements for eventual hook-up to a municipal sewer system.
- "4. The Petitioners shall coordinate with the County of Hawaii and the State Department of Health to establish appropriate systems to contain spills and prevent materials associated with light industrial use, such as petroleum products, chemicals, solvents or other pollutants from leaching into the storm drainage system and adversely affecting the groundwater and coastal waters.
- "5. The Petitioners shall pursue a powerline alignment along the State highway right-of-way as the first preference, and use the alignment across the State Kealakehe lands as an alternative alignment. Should the first preference be pursued, all required work must be submitted to the State Department of Transportation, Highways Division for approval. In addition, the Petitioners shall bear all

costs for improvements. Should the alternative be used, the Petitioners shall relocate the powerline alignment at their expense if it conflicts with the Master Plan being developed by the Housing Finance and Development Corporation.

- "6. The Petitioners shall immediately stop work on the impacted area and contact the State Historic Preservation Office should any archaeological resources such as artifacts, shell, bone, or charcoal deposits, human burial, rock or coral alignments, paving or walls be encountered during the project's development.
- "7. The Petitioners shall give notice to the Land Use Commission of any intent to sell, lease, assign, place in trust or otherwise voluntarily alter the ownership interest in the property covered by the approved petition prior to the development of the property."

The Intervenor - Approval subject to the satisfactory resolution of the issues and concerns raised by the Office of State Planning and the County of Hawaii Planning Department.

#### FINDINGS OF FACT

The Commission, having duly considered the record in this docket, the testimony of the witnesses and the evidence introduced herein, makes the following findings of fact:

#### Description of the Property

1. The Property is located approximately four miles south of Keahole Airport and three miles north of Kailua-Kona.
2. The Property is bounded on the north by a quarry road; on the east by light industrial uses; on the south by vacant and unimproved State-owned lands (which have been proposed for the Kealakehe planned residential community); and on the west by the Queen Kaahumanu Highway.



3. Approximately 650 acres of land west of Queen Kaahumanu Highway have been acquired by the National Park Service for the development of the proposed 1,300-acre Kaloko-Honokohau National Historic Park ("Park"). The 650-acre portion of the Park includes the 20-acre Aimakapa fishpond, a brackish water pond and wetland (located approximately one half mile northwest of the project site) providing habitat for endangered Hawaiian waterbirds, migrant waterfowl and shorebirds. The Aiopio Fishtrap and several anchialine ponds also lie within the Park boundaries near the coastline.

4. Vacant lands to the north are owned by Lanihau Corporation.

5. The adjoining property to the east is privately owned and contains a concrete batching plant, a quarry and a boat storage and repair facility. These uses were previously established through Conservation District Use Permits issued by the Board of Land and Natural Resources ("BLNR") in 1975 and 1986, respectively.

6. Petitioners own the Property in fee simple as tenants in common, each having a one-third undivided interest in the Property.

7. The Property is currently vacant. It has been recently graded by Petitioners pursuant to a grading plan approved by the Department of Land and Natural Resources ("DLNR") on June 3, 1988, and grading permit issued by the County Department of Public Works on August 5, 1988.

At the February 3, 1989 hearing, the DLNR witness pointed out that the grading plan for the entire Property had been erroneously approved inasmuch as the BLNR approval covered only the upper two-thirds of the Property. Petitioners have subsequently submitted an amended Conservation District Use Application to cover the bottom one-third of the Property which is presently being processed by the DLNR.

8. The Soil Survey Report published by the United States Department of Agriculture ("USDA") Soil Conservation Service designates the Property as Pahoehoe and Aa Lava Flows.

9. Elevations on the Property range from 60 to 120 feet above mean sea level.

10. Rainfall in the area generally averages 30 inches annually.

11. According to the Flood Insurance Rate Map prepared by the U.S. Army Corps of Engineers, the Property is located within Zone X (areas outside of the 500-year floodplain).

12. Access to the Property is provided from a quarry road off of Queen Kaahumanu Highway.

#### Description of the Proposed Development

13. Petitioners propose to subdivide the 9.9 acre Property into three 3.3-acre parcels.

14. The upper one-third of the Property would be utilized by Isemoto Contracting Co., Ltd. for its baseyard operations. Facilities proposed for the upper portion include

a carpenter shop, mechanic shop, open and enclosed storage areas, a warehouse, and administrative offices.

15. The middle portion of the Property would be utilized by SJA Partnership as a baseyard for its family-owned hauling and storage business known as the Kona Transportation Company. The development on this portion would include a large warehouse, a mechanic/repair shop, and parking areas for approximately 40 vehicles such as large flatbed trucks, panel vans and trailers.

16. The lower one-third of the Property fronting Queen Kaahumanu Highway would be utilized by March E. Taylor as an automobile service and repair business. This portion of the proposed project would be similar to those operated by Sears, Firestone and Goodyear servicing automobile tune-ups, wheel balancing and collision repair.

17. Albert Shiotsuka, partner of SJA Partnership and vice-president of Kona Transportation Company, estimates the entire project to cost between two and three million dollars with SJA Partnership expending approximately one and one-half million dollars; Isemoto Contracting Co., Ltd. expending approximately under one-half million dollars; and March E. Taylor expending approximately one million dollars which includes installation of necessary equipment to comply with government standards and regulations on hazardous waste and air pollution.

18. Petitioners propose to complete development of the Property within five years after the date of final county zoning approvals.

PETITIONER'S FINANCIAL CAPABILITY  
TO UNDERTAKE THE PROPOSED DEVELOPMENT

19. Each of the three individual petitioners has submitted financial statements. Isemoto Contracting Co., Ltd. has submitted a balance sheet as of August 31, 1987, listing current assets at \$4,892,456 and current liabilities at \$3,448,891. Kona Transportation Co., Inc. (SJA Partnership) has submitted financial statements for the period ending August 31, 1987. The balance sheet lists current assets at \$496,731 and current liabilities at \$170,605. March E. Taylor has submitted an unaudited statement of assets and liabilities as of September 30, 1987, which lists total assets at \$1,378,694 and liabilities at \$150,000.

NEED FOR THE PROPOSED DEVELOPMENT

20. Petitioners propose to consolidate and/or expand their individual businesses, but are unable to do so at their respective present locations. SJA Partnership maintains operations at several different Kona locations. Consolidation of its operations onto one site would increase operational efficiency. Isemoto Contracting Co., Ltd. faces similar constraints at its Kona Industrial Subdivision location. March E. Taylor is unable to expand his automobile service/repair

operation, due to space limitations at his present Liliuokalani Industrial Subdivision location.

21. Petitioners have indicated that there is light industrial space available at the Kaloko Light Industrial Subdivision, located approximately one mile to the north of the Property. According to Petitioners, the Kaloko Light Industrial Subdivision poses major problems for Petitioners because of the small lot size (one acre) and the heavy use of terracing between lots. Petitioners state that they require a single, contiguous site, without major grade separations.

STATE AND COUNTY PLANS AND PROGRAMS

22. The Property is designated within the State Land Use Conservation District as indicated on H-2, Keahole, of the State Land Use District Boundaries Map.

23. The Property is designated within the General Use Conservation Subzone by the Board of Land and Natural Resources. The objective of the General Use Subzone is to designate open space where specific conservation uses may not be defined or where urban uses would be premature. This subzone includes:

a. Lands of topography, soils, climate or other related environmental factors that may not be normally adaptable or presently needed for urban, rural, or agricultural use; and

b. Lands suitable for farming, flower gardening, operation of nurseries or orchards, grazing, including

facilities accessory to these uses when said facilities are compatible with the natural physical environment.

24. The Hawaii County General Plan Land Use Pattern Allocation Guide ("LUPAG") Map designates the Property as conservation. However, proposed revisions to the Hawaii County General Plan in 1987 suggests a change from the conservation designation to an "urban expansion area" ("UEA") designation. The UEA designation allows for a mix of high density, medium density, low density, industrial and/or open designations in areas where new settlements may be desirable, but where the specific settlement pattern and mix of uses have not yet been determined.

The Hawaii County Council is presently reviewing the proposed revisions.

25. The Property is zoned Open by the Hawaii County Zoning Code.

26. The Property is not within the Special Management Area ("SMA") of the County of Hawaii.

27. The Kona Regional Plan, adopted by Hawaii County Council Resolution No. 184 in 1984, recommends the Property for open uses.

#### IMPACTS UPON RESOURCES OF THE AREA

##### Conservation District Lands and Related Permits

28. The Commission designates much of the lands mauka of Queen Kaahumanu Highway, between Keahole Airport and Kailua-Kona within the Conservation District. However, the

issuance of Conservation District Use Application ("CDUA") permits by the Board of Land and Natural Resources ("BLNR") over the years has allowed the establishment of a number of light industrial uses scattered in this subregion.

29. The Office of State Planning ("OSP") is concerned that the emerging land use pattern is one that is characterized by the spot zoning of light industrial uses, which may not be compatible with other types of land uses that are being planned or proposed for the area. This presents the potential for significant adverse cumulative impacts in the future which may not be adequately addressed at present. OSP indicates that such proposals and plans which may be impacted include the proposed Kaloko-Honokohau National Historic Park, located across the Queen Kaahumanu Highway from the Property; the planned Kohanaiki Resort, located immediately north of the proposed national historic park and situated 2 miles northwest from the Property; and the proposed Kealakehe residential community, which is currently being planned by the State Housing Finance and Development Corporation ("HFDC") on lands abutting the Property. Moreover, the scattered light industrial land use pattern may trigger the establishment of other industrial uses in the vicinity and foreclose other land use options in this subregion.

30. The CDUA permits that have been issued by the BLNR in the vicinity include: CDUA Permit File Number: HA-851218-1873 issued to Robert S. McClean of McClean

Properties, Inc. for a boat storage and repair facility which also requires permittee to submit a petition to the Commission to redesignate the approved area to another district more appropriate for the type of uses; CDUA Permit File Number: HA-660613-0035 issued to JM Tanaka Construction for an excavating and quarrying operation, encompassing approximately 262 acres, situated about a mile north of the Property; CDUA Permit File Number: HA-750214-0637 issued to KM Young and Associates for another excavating and quarrying operation, covering approximately 90 acres, situated just mauka of the Property; and a complex of light industrial type uses including CDUA Permit File Number: HA-830324-1519 issued to Hawaii County, Department of Public Works for the Kealakehe Rubbish Dump site; CDUA Permit File Number: HA-720915-0368 issued to West Hawaii Humane Society for the Kona Animal Pound facility; CDUA Permit File Number: HA-740102-0508 issued to Hawaii Electric Light Company, Inc. for an electrical distribution substation; CDUA Permit File Number: HA-840730-1690 issued to Hawaii County, Department of Public Works for a new county police substation; and CDUA Permit File Number: HA-720321-0305 issued to AMFAC Inc. for two warehouses situated on approximately 40 acres along the mauka side of Queen Kaahumanu Highway.

31. In addition, two of the petitioners, Isemoto Contracting Co., Ltd. and SJA Partnership, were granted a CDUA permit File Number: HA-870826-2056 (hereinafter "CDUP 2056")



from the BLNR on December 18, 1987. CDUP 2056 permit is for contracting and trucking baseyards on 6.6 acres, corresponding to the mauka two-thirds of the Property; and for a 300-foot-long by 30-foot-wide utility easement across State lands at the Kealakehe ahupua'a. CDUP 2056 allows the two petitioners to develop their respective 6.6-acre portion of the Property.

32. In its approval of CDUP 2056, the BLNR imposed conditions, one of which requires said petitioners to petition the Commission to redesignate the 6.6-acre parcel to another land use classification "more appropriate for the type of use."

33. OSP is concerned that if BLNR continues to impose similar conditions on other CDUAs, it is very likely that more petitions of a similar nature will be submitted to the Commission. Currently, the operator of said boat storage and repair facility located just north of the Property has initiated discussions of such an action, in compliance with his conditionally approved CDUA permit.

34. However, OSP recognizes that the CDUA permit that has been granted to two of the petitioners allows the development and establishment of the light industrial uses on a 6.6-acre portion of the Property, irrespective of the Commission's decision on this Petition.

#### Water Quality

35. There are two possible sources of ground and coastal water contamination associated with the proposed

project: wastewater and industrial wastes. According to Petitioners, these contaminants will have minimal impact upon the quality of groundwater and coastal waters. The wastewater discharge estimated for the proposed uses--500 gallons per day per lot, or a total of 1,500 gallons per day for the project is minimal, and cesspools will be utilized for the disposal of the wastewater. Petitioners state that ". . . at 1,500 gallons per day of sewage waste, it is expected to have minimal impact to groundwater contamination."

36. Petitioners indicate that industrial wastes-- which include, but are not limited to, oil, grease, paints, solvents, and wood-treating chemicals--will be disposed of by grease and oil traps, catch basins and drywells which Petitioners intend to install. Petitioners state that all industrial wastes will be disposed of in accordance with Federal Environmental Protection Act ("EPA") rules.

37. Petitioners' hydro-geologic consultant conducted an impact assessment for the Property. According to the impact assessment, there is a possibility that contaminants can penetrate the very porous lava and percolate to the groundwater, and move laterally toward the shoreline, discharging into the coastal waters. Petitioners indicate that the hydro-geologic system is such that the contaminants will move in a southwesterly direction, discharging into or towards Honokohau Harbor. Petitioners state that Honokohau Harbor ". . . functions as a 'point sink' for groundwater discharge,

causing flow lines to curve toward Honokohau Harbor rather than follow a straight path toward the general trend of the shoreline."

38. OSP is concerned that the cumulative effect of contaminants discharging into the Honokohau Harbor could pose future problems for the users of the harbor, as well as to various State agencies.

In addition, there is a possibility that the measures proposed by Petitioners to mitigate the possible adverse effects on ground and coastal water quality may not be adequate.

39. With respect to the potential adverse impact on Aimakapa Pond, Petitioners state the contaminants are not expected to move northwest, and thus may not adversely affect said pond. Aimakapa Pond is located in the proposed Kaloko-Honokohau National Historic Park and is the subject of primary concern to the U.S. Department of the Interior, Fish and Wildlife Service.

#### Air and Aural Quality

40. Petitioners state that short-term impacts of the proposed project on air quality include ". . . increased emissions from construction machinery and fugitive dust emissions from exposed ground, earth moving, and vehicular movement along unpaved roads. Long-term impacts are principally associated with vehicular emissions and continued fugitive dust emanating from adjacent quarry operations. The proposed light industrial uses are not expected to be

significant contributors of vehicular pollutants or fugitive dust emissions."

41. Petitioners propose to control short-term airborne particulates during site construction by regular watering and prompt landscaping of disturbed areas.

42. Petitioners projects that the proposed project will increase traffic by 260 vehicles per day. The proposed light industrial uses such as contracting, trucking/hauling, and automobile service and repair, may attract vehicles that may be classified as "heavy" (e.g., trucks, heavy machinery), some of which may emit higher than usual levels of pollutants into the air.

43. OSP and HFDC are concerned that the long-term impacts on air quality and aural quality due to sources such as the use of heavy vehicular and equipment may be significant, especially since the adjacent Kealakehe ahupua'a to the south of the Property is planned for a major residential community.

44. Petitioners state that ". . . the present heavy- and light-industrial uses in the project vicinity and vehicular traffic moving along the Queen Kaahumanu Highway and said quarry road are the predominant noise sources in the area...Short-term noise impacts will occur during the initial construction period, generally associated with clearing, grubbing, grading and building construction activities. The proposed light-industrial land uses are not expected to appreciably affect ambient aural quality."

45. Petitioners represent that they will locate noise generating uses as far away from the Kealakehe area as possible. In addition, the proposed landscape buffer and paving will assist in mitigating dust impacts. Petitioners state that the proposed auto service center will be completely enclosed and will include equipment to remove particulates from the air.

#### Archaeological/Historic Resources

46. An archaeological reconnaissance survey was conducted for the project site (Appendix B of Petitioners' Exhibit 1). Two archaeological sites were identified within the Property. According to the survey, these two sites are considered to be of limited significance in terms of potential scientific research value. No further archaeological work was recommended.

47. The earlier presence of the Mamalahoa Trail within the makai one-third portion of the Property has been documented. However, no surviving physical evidence of said trail could be found during the survey. The makai one-third portion of the Property was extensively graded prior to Petitioners' acquisition of the Property.

48. The DLNR stated in its memo dated October 5, 1988, that ". . . there are no significant historic sites on this parcel. Our major concern is that landscaping, color of prominent buildings, and the like is coordinated with the

National Park Service to reduce any adverse visual effects on the Kaloko- Honokohau National Historic Park."

Flora and Fauna

49. Petitioners did not conduct a biological field inspection of the Property. However, Petitioners indicate that their flora and faunal assessment was augmented from two other surveys for the nearby proposed Kohanaiki and Ooma II Resorts.

50. Petitioners indicate that the project site is comprised of scrub vegetation. This class of vegetation primarily consists of grasses, shrubs, kiawe trees and ferns. Common species found in this vegetation zone include: fountain grass, pili grass, Natal redtop, Ilima and Uhaloa, Maiapilo, partridge pea, indigo, noni, Christmas berry and klu. None of the vegetation identified are listed on the U.S. Department of the Interior, Fish and Wildlife Service's proposed endangered and threatened species plant list.

51. Petitioners indicate the possible presence of mongoose, various kinds of rats and mice, and feral cats, as well as at least two endangered species of birds, including the Hawaiian stilt and Hawaiian owl, at the Property. The Hawaiian stilt is known to be present in the pond areas along the Kaloko and Honokohau coastline, and the Hawaiian owl is known to be present in upland areas such as the Property.

52. Petitioners indicate that ". . . because the site is arid with no bodies of water and few trees, save for the Kiawe scrub, it is not expected that development of the site

will impose a significant impact to the endangered bird populations."

#### Visual/Scenic

53. Development of the lower section of the Property adjacent to Queen Kaahumanu Highway could adversely impact views seen from motorists traveling along the highway. OSP is concerned that the proposed project may also adversely impact views seen from the nearby Kaloko-Honokohau National Historic Park and the adjacent Kealakehe lands.

54. Petitioners propose to provide screening and landscaping along the frontage of the Property and partially up the southern boundary of the Property to assist in mitigating any adverse visual impact.

#### ADEQUACY OF PUBLIC SERVICES AND FACILITIES

##### Roadways and Highways

55. The Property is bounded on the west by the Queen Kaahumanu Highway, and on the north by a quarry road. The quarry road provides access to the project site and leads to the quarry operations just mauka of the Property. Heavy vehicles and equipment enter and leave the quarry operation. The proposed project is expected to increase the number of heavy vehicles utilizing the quarry road. According to Petitioners' traffic impact study ("Traffic Study"), the existing trip ends on the quarry road are estimated at 150 vehicles per day ("vpd"). The proposed project is expected to

generate an additional 260 trip ends per day, for a total of 410 vpd.

56. According to the Traffic Study, the quarry road intersection currently operates at Level of Service ("LOS") B. The proposed project is expected to lower the level of service to C, which represents a condition of "average traffic delays" for vehicles entering the highway from said quarry road. The quarry road intersection is expected to reach LOS E representing a condition close to but not in excess of capacity. At LOS E, motorists may experience "very long traffic delays" at the intersection in 1993.

57. Petitioners propose to participate in a traffic monitoring study with the Department of Transportation ("DOT"). Petitioners state that ". . . when conditions warrant intersection improvements such as channelization (i.e., intersection LOS E), the Petitioners propose to participate jointly with the State Highways Division when it channelizes the intersection at the Kealakehe Parkway, approximately 800 feet south of the Quarry Road intersection."

#### Drainage System

58. The North Kona area is considered dry and arid with light rainfall. Presently there are no established drainage ways or structures located on the Property. The natural drainage system consists of rainfall percolating through the layers of very porous lava to the underground water table. There is no recorded flooding in this area.



59. Petitioners propose to develop an on-site drainage system to consist of catch basins and drywells designed to retain storm waters within the site. Drywells will be added under all terminal catch basins in order to enhance percolation and filtration of storm water into the substrata, rather than have the storm water surface flow to the ocean.

60. Petitioners represent that specific design and percolation analyses will be completed prior to the siting and installation of final drywell systems.

61. Petitioners indicate that the project site is not in a ground water recharge area, and believe that there will be no impact on ground water resources.

62. OSP is concerned that any waste materials generated by the proposed uses of the Property may leach into the ground and cause contamination of the groundwater or coastal waters.

#### Water Service

63. Petitioners estimate the proposed project will require about 1,000 gallons of potable water per day per lot, for a total of 3,000 gallons per day for the Property. Petitioners state that ". . . municipally-supplied potable water is available via the purchase of water rights from the Red Hill Joint Venture. Petitioners have purchased sufficient water rights to accommodate the proposed land uses, and with the approval of the Department of Water Supply, intend to hook into the 12-inch water main fronting the project site."

64. The County Department of Water Supply indicates that ". . . based on the figures (prepared by Petitioners' consultant--Okahara & Associates), we have no objections to allotting three (3) units of water or 1,800 gallons per day for each of the proposed three (3) lots. We understand that the proposed industrial operations will not require higher water demands."

#### Wastewater Treatment and Disposal

65. Petitioners propose to utilize private cesspools to dispose of sewage waste, which is estimated at 500 gallons per day per lot, or a total of 1,500 gallons for the Property.

66. OSP is concerned with the potential ground and coastal water contamination from wastewater and industrial wastes percolating into the very porous lava and moving laterally toward the shoreline.

#### Police and Fire Protection

67. Petitioners indicate that ". . . police protection for the North Kona area is provided by the Hawaii County Police Department which operates from its regional headquarters in Captain Cook. The area served by the Captain Cook station extends from the Manuka State Park in South Kona to Anaehoomalu Bay in North Kona. Presently, a small substation is maintained in Kailua-Kona. Planning is underway to move the regional headquarters to a new 10-acre facility in Kealakehe, approximately one-half mile south of the project area."

68. The Police Department has indicated that it foresees no adverse effect from the requested land uses.

69. The Hawaii County Fire Department station which will be providing fire protection services to the Property is in Kailua-Kona, located approximately 2.3 miles from the project site.

70. The Fire Department has indicated that fire hydrants shall be located at 300-foot intervals on the quarry road and within 150 feet from building sites.

#### Electric and Telephone Services

71. Petitioners indicate that Hawaii Electric Light Company, Inc. (HELCO) currently maintains a 12 KV line terminating at a power pole approximately 300 feet south of the project site.

72. HELCO has indicated to the Petitioners that electrical service can be provided by extending the 12 KV line into the Property. This would require the installation of a new power pole within the project area and the acquisition of a 30 foot-wide by 300 foot-long utility easement over the adjacent State-owned lands to the south.

73. Petitioners requested the acquisition of a utility easement as a part of their CDUA application, which was granted by the BLNR in December 1987. However, HFDC has indicated that if the easement presents an inconsistency with and/or a negative impact and encumbrance to the Kealakehe

Master Plan, Petitioners should consider funding the relocation of the easement.

Solid Waste Disposal

74. Petitioners indicate that ". . . the individual users of the Property will arrange for collection and disposal of solid waste. The Kealakehe Landfill (which is expected to reach capacity in 1990) will be used for disposal until a new disposal facility becomes operational."

Hazardous Waste

75. Petitioners state that hazardous waste will not be stored on the Property. Other wastes generated by the project will be disposed of in compliance with federal, state and county standards.

SOCIAL AND ECONOMIC IMPACTS

76. Petitioners indicate that the proposed project is in response to increased demand for additional light industrial services generated by increases in the population of the area and does not immediately contribute directly to population growth. Since the uses are primarily relocations of existing West Hawaii operations, the only direct increases in population would come as a result of any growth in these companies in the future.

77. Petitioners also indicate that the proposed uses of the Property will contribute to the diversification of the economic base and will provide a more central location to serve the needs of the growing local population.

CONTIGUITY OF THE PROPOSED RECLASSIFICATION

78. The Property is surrounded to the north, east and south by Conservation District lands. To the west and makai of Queen Kaahumanu Highway is the Kaloko-Honokohau-Kealakehe Urban District.

CONFORMANCE WITH THE HAWAII STATE PLAN

79. The proposed reclassification appears to be generally consistent with the objectives and policies of the Hawaii State Plan, Chapter 226, HRS, for the economy in general. The relevant objectives are as follows:

226-6(a) Planning for the State's economy in general shall be directed toward achievement of the following objectives:

- (1) Increased and diversified employment opportunities to achieve full employment, increased income and job choice, and improved living standards for Hawaii's people;
- (2) A steadily growing and diversified economic base that is not overly dependent on a few industries.

80. The proposed reclassification would provide a location for business enterprise and employment which should offer diversity to the residents of west Hawaii in terms of jobs and services.

CONFORMANCE WITH THE STATE LAND USE COMMISSION RULES

81. The proposed reclassification is in general conformance with the provisions of the Commission Rules pertaining to the standards for determining the Urban District boundaries.

CONFORMANCE TO COASTAL ZONE POLICIES AND OBJECTIVES

82. The proposed reclassification of the Property for development of the project conforms to the policies and objectives of the Coastal Management Program, Chapter 205A, HRS, as amended.

CONCLUSIONS OF LAW

Pursuant to Chapter 205, Hawaii Revised Statutes, as amended, and the Commission Rules, the Commission finds upon the preponderance of evidence that the reclassification of the Property, consisting of approximately 9.9 acres of land situate at Honokohau, North Kona, Island and County of Hawaii, State of Hawaii, from the Conservation District to the Urban District and an amendment to the district boundary accordingly is reasonable and non-violative of Section 205-2 of the Hawaii Revised Statutes, as amended.

ORDER

IT IS HEREBY ORDERED:

That the Property which is the subject of this Petition Docket No. A87-618 by Isemoto Contracting Co., Ltd., SJA Partnership, and March E. Taylor, consisting of approximately 9.9 acres of land situate at Honokohau, North Kona, Island and County of Hawaii, State of Hawaii, identified as Hawaii Tax Map Key Number: 7-4-08: parcel 33, shall be and hereby is reclassified from the Conservation District to the Urban District and the district boundaries are amended accordingly, subject to the following conditions:

1. Petitioners shall ensure that a buffer area along the boundary of the Property fronting the Queen Kaahumanu Highway right-of-way will be preserved to maintain the visual integrity of the Queen Kaahumanu Highway. Petitioners shall further ensure that the proposed light industrial uses be screened from passing motorists, the Kaloko-Honokohau National Historic Park, and the adjacent Kealakehe lands, by landscaping improvements along the Property's western and southern boundaries.

2. Petitioners shall participate in the funding and construction of transportation improvements at project access points as identified by the State Department of Transportation. Petitioners shall also participate in the funding and construction of other on-site and off-site transportation improvements necessitated by the proposed development and in designs and schedules accepted and coordinated with the State Department of Transportation, provided that the extent of the Petitioners' participation shall not exceed the proposed project's share of the increased community traffic impacts in the region and, provided further, that in the event the County adopts an impact fee for transportation improvements, the foregoing requirements shall not include or double-count the cost of any specific traffic improvements which may also be included in the County's impact fee computation.

3. Upon construction of the municipal sewer system, Petitioners shall fund and construct the necessary improvements for hook-up of its wastewater disposal improvements to the municipal sewer system.

4. Petitioners shall coordinate with the County of Hawaii and the State Department of Health to establish appropriate systems to contain spills and prevent materials associated with light industrial uses, such as petroleum products, chemicals, solvents or other pollutants from leaching into the storm drainage system and adversely affecting the groundwater and coastal waters.

5. Petitioners shall pursue a powerline alignment along the State highway right-of-way as the first preference, and use the alignment across the State Kealakehe lands as an alternative alignment. Should the first preference be pursued, all required work must be submitted to the State Department of Transportation, Highways Division for approval. In addition, Petitioners shall bear all costs for improvements. Should the alternative be used, Petitioners shall relocate the powerline alignment at their expense if it conflicts with the Master Plan being developed by the Housing Finance and Development Corporation.

6. Petitioners shall immediately stop work on the impacted area and contact the State Historic Preservation Office should any archaeological resources such as artifacts,



shell, bone, or charcoal deposits, human burial, rock or coral alignments, paving or walls be encountered during the project's development.

7. Petitioners shall give notice to the Land Use Commission of any intent to sell, lease, assign, place in trust or otherwise voluntarily alter the ownership interest in the Property covered by the approved petition prior to the development of the Property.

8. Petitioners shall develop the Property in substantial compliance with representations made to the Land Use Commission in obtaining the reclassification of the Property.


9. Petitioners shall provide annual reports to the Land Use Commission, the Office of State Planning and the County of Hawaii Planning Department in connection with the status of the project and Petitioners' progress in complying with the conditions imposed.


10. The Commission may fully or partially release these conditions as to all or any portion of the Property upon timely motion, and upon the provision of adequate assurance of satisfaction of these conditions by the Petitioners.

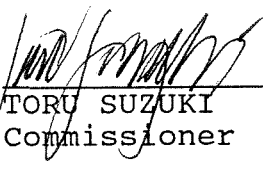
DOCKET NO. A87-618 - ISEMOTO CONTRACTING CO., LTD., SJA PARTNERSHIP,  
AND MARCH E. TAYLOR


Done at Honolulu, Hawaii, this 23rd day of May 1989,  
per motions on April 20, 1989 and May 11, 1989.

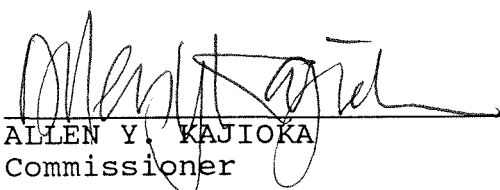
LAND USE COMMISSION  
STATE OF HAWAII

By   
RENTON L. K. NIP  
Chairman and Commissioner

By   
SHARON R. HIMENO  
Commissioner

By   
TORU SUZUKI  
Commissioner


By   
TEOFILO PHIL TACBIAN  
Commissioner

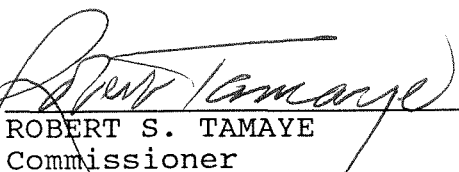
By   
ALLEN Y. KAJIOKA  
Commissioner

Filed and effective on  
May 23, 1989

Certified by:

  
Executive Officer

By   
FREDERICK P. WHITTEMORE  
Commissioner

By   
ROBERT S. TAMAYE  
Commissioner

BEFORE THE LAND USE COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Petition of ) DOCKET NO. A87-618  
)  
ISEMOTO CONTRACTING CO., LTD., ) ISEMOTO CONTRACTING CO.,  
SJA PARTNERSHIP, and MARCH E. ) LTD., SJA PARTNERSHIP,  
TAYLOR ) and MARCH E. TAYLOR  
)  
)  
To Amend the Conservation Land )  
Use District Boundary into the )  
Urban Land Use District for )  
Approximately 9.9 acres at )  
Honokohau, North Kona, Hawaii, )  
State of Hawaii, Tax Map Key )  
No.: 7-4-08: 33 )  
\_\_\_\_\_ )

CERTIFICATE OF SERVICE

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


HAROLD S. MASUMOTO, Director  
Office of State Planning  
State Capitol, Room 410  
Honolulu, Hawaii 96813

CERT. DUANE KANUHA, Planning Director  
Planning Department, County of Hawaii  
25 Aupuni Street  
Hilo, Hawaii 96720

CERT. SANDRA PECHTER SCHUTTE, ESQ., Attorney for Petitioners  
Roehrig, Roehrig, Wilson, Hara & Schutte  
101 Aupuni Street, Suite 124  
Hilo, Hawaii 96720

CERT. ROBERT J. SMOLENSKI, ESQ., Intervenor  
1717 Davies Pacific Center  
841 Bishop Street  
Honolulu, Hawaii 96813

DATED: Honolulu, Hawaii, this 23rd day of May 1989.

  
\_\_\_\_\_  
ESTHER UEDA  
Executive Officer

DOCKET NO. A87-618 - ISEMOTO CONTRACTING CO., LTD., SJA  
PARTNERSHIP, and MARCH E. TAYLOR

A copy of the Land Use Commission's Order Accepting  
and Adopting the Recommendation of Hearing Officer was served  
upon the following by regular mail on May 24, 1989.

BENJAMIN M. MATSUBARA, ESQ.  
8th Floor, Kendall Building  
888 Mililani Street  
Honolulu, Hawaii 96813