

PLANNING COMMISSION
COUNTY OF HAWAI'I

HEARING TRANSCRIPT
JUNE 18, 2004

A regularly advertised hearing on the applications of **WESTPRO DEVELOPMENT, INC. (SLU 04-001/REZ 04-004)** was called to order at 10:13 a.m. in the King Kamehameha's Kona Beach Hotel, Kamakahonu Ballroom, 75-5660 Palani Road, Kailua-Kona, Hawai'i, with First Vice-Chairman Earl Fujikawa presiding.

PRESENT: Earl Fujikawa
C. Kimo Alameda
Bill Graham
Jeffrey McCall
Francis Smith
Hannah Springer
Bill P. Thibadeau

ABSENT AND EXCUSED: Fred Galdones

Patricia O'Toole, Deputy Corporation Counsel
Chris Yuen, Planning Director
Norman Hayashi, Planning Program Manager
Phyllis Fujimoto, Staff Planner
Jeff Darrow, Staff Planner

And approximately 28 people from the public in attendance

**APPLICANT: WESTPRO DEVELOPMENT, INC. (SLU 04-001/
REZ 04-004)**

- a. State Land Use Boundary Amendment for 10 acres of land from the Agricultural to the Urban District.
- b. Change of Zone for 10 acres of land from an Agricultural 5-acre (A-5a) to a Multiple Family Residential 4,000 square foot (RM-4) district.

The property is located on the south side of Kona Palisade Subdivision, approximately 1,200 feet south of the Kaimiani Drive – Kakahiaka Street intersection, Ooma 1st, North Kona Hawaii, TMK: 7-3-10: portion of 3.

FUJIKAWA: Commissioners, we are on Item No. 2. The Applicant is Westpro Development, Inc. for SLU 04-1/REZ 04-004.

- a. State Land Use Boundary Amendment for 10 acres of land from Agricultural to the Urban District;
- b. Change of Zone for 10 acres of land from an Agricultural 5-acre (A-5a) to a Multiple Family Residential 4,000 square foot (RM-4) district.

Staff, go ahead with your presentation.

DARROW: Thank you, Mr. Chairman, members of the Planning Commission and members of the public. If I could direct your attention to the location map on the board, this next application is located in the North Kona District of Hawaii. We're looking in the area near the Kona International Airport. We recently had the Ruddle Kohanaiki application, Clifto's, and the Nakakura and Lee application in this similar area. Just for bearing purposes, this red line moving in a north-south direction is the SMA line as well as Queen Kaahumanu Highway. As you travel from Kona in the northerly direction towards North Kohala, you'll come to Kaiminani Drive. You would travel mauka into the Kona Palisades Subdivision. And where this red dot is located is the actual area of this application, which is just on the south side of the Kona, the lower side of the Kona Palisades Subdivision.

The Applicants in this case, Westpro Development, Inc., are requesting a State Land Use Boundary Amendment from Agricultural to Urban, as well as a Change of Zone from Agricultural 5-acre to Multi-Family Residential 4,000 square feet.

The reason for this request is to be able to develop a 100-unit affordable housing project; and this will be a portion of this property. The property is actually 50 acres in size. They are looking at a 10-acre piece of the 50-acre parcel.

At this time, the entire parcel is in tentative approval for a subdivisions for a 4-lot subdivision with a roadway lot, which will be an extension of Kakahiaka Street. Looking at the site map, this is a proposed development plan of the 100-unit affordable housing project. They're proposing eight 8-plex units and four 4-plex units. These are two-story structures. The pink is, purple is identified, parking area is approximately 125 parking stalls, available on site. They will have a picnic and playground area as well as an on-site sewage treatment plant.

There have been several issues associated with this project. One is water, the Department of Water Supply stated in their comment letter that water is not available to this project. But after the results of a meeting with the Department of Water Supply, they stated that the Applicant, and subject to several conditions which are Conditions B, C and D, can make water available to this project.

The roads are going to be an issue. The main access is going to be from Kakahiaka Street. It's an extension from Kaiminani Drive through the Lokahi Mauka and Makai project, and then into Parcel 3 to the 10-acre site. There are other issues regarding roadways; and those are addressed in Conditions G, H and I.

Based on the fact that there's representation of an affordable housing project, we are requiring that this project have no less than 40 percent of the units be sold or rented as affordable; and that is addressed in Condition S.

We do have one typo I want to addressed. It's a minor typo on Condition P. At the end of the condition, it references "this Condition R." That's to be changed to "this Condition P." In our changes of the condition that was overlooked.

The Planning Director is recommending approval, mainly based on and a deletion of the, the approval is based on the hope that this project will alleviate some of the affordable housing crisis that we do have. Again, this is both the State Land Use Boundary Amendment and the Change of Zone, it is recommended for approval to the Planning Commission, to the County Council. Are there any questions?

FUJIKAWA: Any questions, Commissioners, to the staff? Commissioner Graham?

GRAHAM: Jeff, maybe you can answer to some or part of all what I got in mind, or maybe the Planning Director can -. First, as looking at the 50-acre parcel of which is a park ten, this 10-acre park kind of looks like it's a little island floating out there by itself. Is that the case or is it -? And do we have tentative plans for what the rest of the 40 acres are going to be? And, also, kind of thinking on that island sense, I noticed the Land Use Commission said that the project site is located adjacent to 2,610 acres of land that were reclassified from State Land Use Agricultural and Conservation to Urban, pursuant to a five-year boundary review. So I don't quite know where all those other lands are, and I'm just trying to get a feel for whether we're doing some little spot action out in the middle of somewhere that's, you know, not bounded by similar rezoned and classified parcels. Thank you.

DARROW: If I can address your first question, in relation to where this area is on the property. Where the red dot is is basically where this particular part of the parcel is located. This would be the boundary line, the makai side as well as the south side of the boundary line; and that's located here. So it is on the back end, the makai southern boundary of the property. At this time, the entire parcel is within a, is in the subdivision process. They have received tentative approval for a 4-lot subdivision. As far as their intentions for the additional three lots, if I could defer that to the Applicant's representative.

In regards to your second question regarding the overall State Land Use layout of the surrounding properties, I'm not particularly sure. This is a large parcel here. I would need to look at that, I could get back with you on that. I'm pretty sure that there was quite a bit of area -. You have Kona Palisades that's State Land Use Urban. And if I do recall correctly, there was a large parcel, large area in this area that was zoned Urban; but I need to clarify that before I confirm it.

HAYASHI: In response to your question, Commissioner Graham, the petition that was, the area that was reclassified as part of the five-year boundary review were the State lands. And those were the lands from, in this area, all of these lands here; and those were classified into the State Land Use Urban District.

GRAHAM: Are any of those immediately adjacent to this particular parcel?
Would it -?

HAYASHI: There would be some lands, I believe, in this particular area that are already within the State Land Use Urban District. Most of the lands were in the Kealakehe area, which are currently being developed by the Hawaiian Homes, Department of Hawaiian Homes.

GRAHAM: Thank you.

FUJIKAWA: Any other questions, Commissioners? McCall?

MCCALL: Maybe just a quick -. I believe that the, what they're asking for here is eight 8-plexes and nine 4-plexes, is that correct?

DARROW: No.

MCCALL: To make a hundred, that's what it needs to be. But there's, in this document, there's actually, it flip-flops back several times between nine 4-plexes and four 4-plexes.

DARROW: Okay, yeah, and in the -.

MCCALL: But to get a hundred, -.

DARROW: You need nine.

MCCALL: There needs to be nine 4-plexes.

DARROW: Right. In the original application that was submitted, it was submitted with a 4-plex, four 4-plexes. We thought we had addressed all those type of issues and clarified them to nine, but we might have missed one or two. It is supposed to be nine 4-plexes. And, again, that's the proposed development. So it could change.

FUJIKAWA: Any other questions, Commissioners? None? Will the Applicant or his representative, please step forward? And those of you who would like to do a testimony on this application and have not yet signed up, please check with Sharon Nomura.

Will you kindly raise your right hand, please? Do you swear to tell the truth on this matter now before the Hawaii Planning Commission?

TESTIFIERS: I do.

FUJIKAWA: Thank you. You want to start with your name and your address?

DICKLER: My name is Alan Dickler. My business address is 75-143 Hualalai Road.

FUJIKAWA: And your name?

BROOKS: I'm Bill Brooks. I have the same business address, as well as P.O. Box 308 in Holualoa.

FUJIKAWA: And you are the owners?

DICKLER: I represent, I'm the president of Westpro Development.

FUJIKAWA: Okay. Do you have the Background Report and also the Director's recommendation with the conditions?

DICKLER: Yes, we do.

BROOKS: That is correct, sir.

FUJIKAWA: Okay. Yeah, why don't you go ahead and proceed?

DICKLER: Thank you, Mr. Chairman, members of the Council. As I stated, my name is Alan Dickler, I'm the president of Westpro Development. We're a local developer, been on the island for close to ten years. All the principals are local residents. And the main purpose of this development was -. After numerous meetings with the administration of the County, we recognized the need for affordable housing. And we wanted to, as the Mayor said to us just two weeks ago, that the affordable housing has become a crisis in the County, and we thought that this project would help resolve some of those issues. We submitted the project as a 75 percent affordable housing project; and with communication with the Planning Department have tentatively settled on a 40 percent to be affordable housing at this point. We have with us today Bill Brooks who's our entitlement processor; and also Bruce Witcher who did the traffic analysis is here with us if there are any questions.

For clarification purposes only, there's a mis-statement in the report that came out. We are not the same legal owner of the Lokahi Makai property. That is owned by a company known as Sunny Ventures LLC. We are a managing member of that company, but it is a different group of investors. So I want to make sure that's clear, just to everyone.

FUJIKAWA: Commissioners, any questions with this testifier, Applicant, correction, applicant?

SPRINGER: Mr. Chair?

FUJIKAWA: Springer?

SPRINGER: Although not mentioned as a condition of approval, there is discussion and recommendation in your botanical survey done by Winona Char that native plants will be considered for landscaping. And then there's also a letter from William Moore that indicates it has recommended that the plants considered for landscaping, especially in the common areas, be native. Are you folks committed to that?

BROOKS: That is correct.

SPRINGER: Thank you.

BROOKS: The ideal consideration, of course, being water consumption and the fact that native plants that are common to that area would be more capable of thriving with less water.

SPRINGER: Thank you.

FUJIKAWA: Any other questions, Commissioners? Alameda?

ALAMEDA: For Commissioner Springer, I just want to know if you wanted that part of the conditions or just as a verbal -?

FUJIKAWA: Springer?

SPRINGER: I guess I would ask the Planning Director. The record indicates both in the reports and by that subsequent memo from Mr. Mooers that there's this commitment to it. We also have the statement of the Applicant's representative on the record. Does it need to be a condition?

FUJIKAWA: Director?

YUEN: It's not legally binding unless it is condition, if they should change their mind in the future. If you are inclined to make it a condition, I would state it a little broadly, though, because it is difficult to, you don't want to say that all plants have to be native plants. Something saying that the Applicant shall endeavor to utilize native plants in the landscaping is good enough and then we would -. This is a project where if it's done as a multi-family zoned, I believe there is some landscaping requirement. And, so, then the staff would have to look at that when we would look at a Plan Approval and check the condition. But something that's not -. I think that if you're going to put it as a condition, put some flexibility to it; and that would be the best way to go.

FUJIKAWA: Commissioner Springer?

SPRINGER: I appreciate this discussion that we're having. As we look at the urbanization of Kona, we just see areas where once the ala he`e and the ma`apilo and all that were once, as stated they're not in danger, they're common throughout the region but

as their numbers in the wild diminish, I would appreciate that inclusion as a condition. And starting, first, as it says in this documentation, utilizing the native species of the region, you're not casting about the wet side of this island or other places.

BROOKS: We would not have a problem, Commissioner Springer, with the condition that states that. I appreciate Mr. Yuen's comments that it not be all as opposed to we'll endeavor to do our best, best conditions we can. 'Cause we'll have some areas where we just can't do it.

SPRINGER: Okay. Thank you. I appreciate your candor as well. So, Mr. Yuen, can the staff interject that at the appropriate place and then re-number the conditions or re-letter?

YUEN: I would suggest something that would say that the Applicant shall include native species among the plants used for landscaping.

FUJIKAWA: Okay, you got that?

DARROW: If it's okay with the Planning Director, if we can add that as a part of Condition F, which speaks about the landscaping requirements. Thank you.

FUJIKAWA: Okay, Director?

YUEN: I'll be fine with that, although at some point the Commission still needs to make a formal motion to that effect, to add that and take a vote on that.

FUJIKAWA: Graham?

GRAHAM: If I may be a little candid on what I'm foreseeing here. You know, we get this paperwork a week ahead of time or something like that, so I kind of start reading through all the paperwork and get a feel for the project. And the feel I got from the paperwork was I had much more of a fantasy feel as opposed to a real feel. And what brings that about for me is, first off, there's no water, as far as I know. So, you know, we're talking, I mean, generally, on things like this, you kind of got the water in line, and I know to bring water down when the Department of Water Supply is not providing it could be quite costly and say, you know, how you're going to pull off an affording housing thing? And, then, the roads going in are going to start off, I guess, on another project, that's just in the PUD process now, and then it's going to have to traverse some others of your properties which are not part of what we're doing with here now. And then, at the same time, I sense, well, maybe there's a little carrot here, which is the affordable housing carrot that is put out, and we're kind of spot zoning a piece of land urban. At some point, I mean, we're only recommending. But at some point in the future, we'll wind up taking some course who knows what it might take, but it's a long ways away from reality. Yet, we sit here and talk about, you know, what kindS of plants are going to be on it and all. So I have a disconnect, and maybe you can kind of, maybe

the impression I got from reading is different from the real impression. So I wanted to just put that forth.

DICKLER: Well, first, in all due respect, all developments start as a fantasy in everyone's eyes, developers especially. But in reality, we have made progress with the Water Department. We have identified three separate sources of, potentially for water. It's a long-range program. We would not, we wanted to assure ourselves of the zoning before we spend the money for the water that's necessary; and that's why we come through this process. What you talk about roads is the commitment of the roadway to get to this. It does go through our other property, but it's the only way to access this property. And so we have to do that, and we recognize that and it's conditioned in. We are, again, we are residents here, and recognized, and have committed to the Mayor and to the administration to be a player in affordable housing. We are, as principals, feel very strongly about the issue on the island; and so we are making the commitment to do affordable housing. We are negotiating on the cost issues. There, are, I mean, it is a factor that in today's rising cost of construction, that we have to do everything that we can to make it an economically viable project. But our full intent is to build this as an affordable housing project to the extent that we've come up with creative design and construction methods to get the cost down.

BROOKS: I'd like to further expound, too, on the water issue. Of the three potentials that Allen was addressing, just recently, within the last week or so, there have been meetings between Steve Bolles, whom we had contracted to research the feasibility of deepening one of those sources. It's just simply the possibility of expanding capacity of an existing well. That has been researched and have been found to be feasible from initial researchers. It's going to require some additional engineering to ascertain exactly what size pump, etc., would have to be incorporated into there, but that is much closer than one might think just by looking at the paperwork.

GRAHAM: I guess, in the timing of things, you know. my concern would be, given that you're going to have to spend a lot of money on the wells and on the water and the road that we could come down a year or two from now and have a request for the other 40 acres of your parcel. And the gist of that request will be, you know, we have to sort of approve all this stuff so that we can actually expend the funds that'll allow for this affordable to really go forward that we already approved in the past, past being now; and I'm uncomfortable with that kind of a time scenario. If it was all put forward at this point and this was one part of a larger thing, I'd be much more comfortable with it.

BROOKS: I understand, Mr. Graham. I, to further address your concern about those issues, I would like to inform you and assure you that we have already researched ourselves. We have verified through R.M. Towill that the existing water system that is being put in place to, in the adjacent subdivision to facilitate that, that those waterlines in there will be adequate to, more than adequate to service all the needs. So it's not a matter -. The only improvements that would need to be made in order for us to water this particular project and beyond is simply the creation of the source within that district; and that's what I was referring to about the potential of expansion of an existing well. That's

the key. Obviously, if we had to create a whole another well, that's a different story. But when we can go in and increase capacity dramatically in an existing well, it helps keep the cost down to a reasonable level that can make this all feasible.

GRAHAM: Thank you.

FUJIKAWA: Any other questions, Commissioners? You have a presentation to make, too, on sort of answering all the questions?

BROOKS: The gist, to address other characteristics that were addressed briefly by Jeff in questions that were asked pertaining to the location, someone had asked about the location and why it was there. That specific location is the lowest portion, place on the property; and that was one of the key reasons that it was chosen, because of the sewage treatment plant. By placing that plant there is just the most practical place from that standpoint, as well as the fact of viewplanes and what have you.

FUJIKAWA: Any questions, Commissioners? If not, you have anything else to say for now?

DICKLER: I would just like to say that we have reviewed the conditions that were put forth by the Planning Department; and we're in agreement with all them, with two minor statements I'd like to make about them. The first is, with respect to the condition that says that we will make the park available in the Lokahi Makai project to the residents here, that is our intent. The park is being built to dedicable standards to County Parks and Recreation. But that is, that's the main way that the public will have access to the park, is if the County takes it over. We have discussed with Planning Director Yuen that if, for some reason that no one expects that the County won't take it over, but if for some reason they don't take it over, then we'll have to use some type of agreement between the two entities, the association that would own the park for Lokahi Makai and a new condo association which will be in this development; and they'll have a cross use agreement, they'll have to contribute funds towards that park. Otherwise, it's not fair to Lokahi Makai homeowners.

FUJIKAWA: Any other questions, Commissioners, you have with the Applicants? If not, if you two gentlemen will step -. Director, you have something to say?

YUEN: Yeah. I just wanted to mention a couple of things. One, that what Mr. Dickler said is correct; and the condition as written would accommodate that as a private matter. And the other, we did put Department of Education contribution in here. The Council has been taking these out. You know, if they continue -. I had wanted, I had asked the Council to have the Department of Education come over and make their presentation about why they thought it should be in there because this is a condition that the Department of Education asks for. I don't know that that's happened but it does appear that the Council is starting to take a consistent position of taking it out. We have left it in here. The Council can take it out if they want. And if the Council continues, if

the Council makes it very clear that they are not going to be putting this in as a condition, I think at some point we'll stop putting it in as well.

FUJIKAWA: Okay, any questions, Commissioners, with the Director on this matter?

DICKLER: I have one more -.

FUJIKAWA: Go ahead.

DICKLER: One more comment, Mr. Chairman. Also, just for clarity sake, when we submitted this, and this goes to Mr. Graham's comments earlier about affordability, when we submitted this application, we had requested a forbearance on the fair share charges. In conversation with the Planning Department, they have asked that we accept the fair share, have lowered our requirement to do this of the percentage of the project to do affordable, but with the understanding that the Planning Commission and the administration is looking at a new fair share ordinance -. Is that the right word for it, Mr. Yuen? And, so, that we would be subject to this new ordinance if there's a trade-off for affordable housing versus the fair share payment.

YUEN: This is something that's under discussion in the administration as -. If it was done, it would be part of the housing policy. There's an affordable housing policy if it's adopted by ordinance for the County. And rather than do it on a rezoning-by-rezoning basis, we would suggest, if there is going to be a waiver or reduction of fair share for affordable housing, that it be put in the affordable housing ordinance and then applied to all projects equally. I'm not committing that that's going to be the administration's position on that but that's why we did not put that in this particular rezoning. If it is passed as a change in the affordable housing policy, chances are that it would take effect well before this development was on on-stream to have to pay their fair share. At the earliest that they would have to pay their fair share is when they submitted the detailed plans for the construction of the building. That would be at Final Plan Approval; and that's months to perhaps years down the road.

FUJIKAWA: Any other questions you have, Commissioners, with the Director or the Applicant? If not, can you gentlemen step on the side for a minute. I have three people who have signed up to testify on your application. Joel Gimpel, John Aikele, John Stevens. Please step forward, John Stevens, John Aikele. Will you three gentlemen please raise your right hands. Do you swear to tell the truth on this matter now before the Hawaii Planning Commission?

TESTIFIERS: I do.

FUJIKAWA: Thank you. Go ahead and state your name and your address first, and then we'll go to the next fellow.

GIMPEL: Good morning and aloha. I'm Joel Gimpel.

FUJIKAWA: Use your microphone, please.

GIMPEL: Oh, okay. Good morning. I'm Joel Gimpel. I live at 73-4686 Hinalani Street, here in Kailua-Kona.

FUJIKAWA: Okay. Then let's turn the mike over to him. Who are you?

AIKELE: I'm John Aikele

DARROW: It's on.

AIKELE: Is it working?

YUEN: Yes.

AIKELE: I'm John Aikele. I live at 73-4340 Kailana Place in the Palisades.

FUJIKAWA: Okay. Turn the mike over to him.

STEVENS: I'm John Stevens. I live at 75-5525 Kona Bay Drive, Kailua-Kona.

FUJIKAWA: Okay, Joel, go ahead with your presentation.

GIMPEL: Thank you and Aloha. Again, I'm Joel Gimpel, I'm appearing here today as Public Affairs Chairperson of the Kona Traffic Safety Committee. Our Committee has reviewed the applications that would allow development of this project and we understand that access will be via the Kakahiaka Street extension from Kaiminani Street.

We acknowledge that the applicant is open to the idea of improving that 50-foot Homestead Road right-of-way to the extension of Kakahiaka Street if it is deemed to improve traffic circulation in the area. And we also acknowledge and appreciate that the applicant intends to construct housing that is affordable, because that's what we need in this area. There are, however, several concerns that are related to traffic issues that were not discussed in the application, and we believe that they should be addressed.

The first of those is the effect on Highway 19, Queen Kaahumanu Highway, and Highway 190 traffic. Because although the applicant indicates that the access will be provided through the Kakahiakai Street extension, that road intersects with Kaiminani, which is the connector road intersecting with Highways 19 and 190. So all of the cars going in and out of this subdivision will have to go either to Queen Kaahumanu Highway or Highway 190 via Kaiminani. But the TIAR that accompanied the application failed to discuss the effect of this development on those intersections and those highways which are already severely congested and, as we've all learned and understand and experienced,

at capacity right now. Adding at least 100 vehicles to the morning and afternoon rush hour traffic will exacerbate an already intolerable traffic situation on both Highways 19 and 190. And the intersection of Highway 190 and Kaiminani is particularly dangerous because it's not yet signalized, and there's a tremendous backup on that road every morning.

Second issue is school transportation. We note that the application fails to mention the need for school transportation, which will be required given the proposal to construct 100 two-bedroom housing units at prices affordable to "families." We leave it to the Department of Education to comment on the project's effect on schools, but point out that school bus transportation will add to the traffic woes on Highways 19 and 190 and their intersections with Kaiminani, and that the site plan should assure maximum safety for school children going to the bus.

Third issue was bike and walking paths. Similarly, the site plan should include safe bike and walking paths for residents.

So our recommendations are: That we urge that the applicant be required to report on the project's effect on Highway 19 and Highway 190 traffic, and the intersections of those roads with Kaiminani, given the many other proposed and planned development projects along Highway 19 between Kailua town and the airport. And, two, report on the planned accommodations for school bus transportation. If, as we anticipate, the added traffic will further exacerbate congestion in the area, this project should be postponed until planned but as yet unfunded improvements to Highway 19 between the harbor and the airport are completed by the State Department of Transportation, and the Highway 190/Kaiminani intersection is signalized.

So, that's all I have to say for now. Thank you for your consideration; and I'll be happy to answer any questions. Thank you.

FUJIKAWA: Commissioners, any questions with the testifier? Springer, go ahead?

SPRINGER: Not at Mr. Gimpel but of, to the Director regarding his, Mr. Gimpel's comments on the Highway 190/Kaiminani intersection and it becoming signalized. Is there any timeframe for that?

FUJIKAWA: Director?

YUEN: Not that I know of.

FUJIKAWA: Any other questions? If not, John, go ahead. John Aikele?

AIKELE: I didn't come prepared to speak on this subject today. I come concerning another issue, but we live in the Palisades. I'm surprised that the Palisades Board is not represented here this morning, certainly it's an issue all the residents of

Palisades is to be concerned about. I don't know what the number of residents they're anticipating in this development. I haven't heard a discussion of the impact that a new development is going to make. It's my understanding there is already some construction going on down there, and I'm not sure whether this development is associated with it. I haven't heard any testimony to that effect today. I know the residents on the road, on the lower part of the Palisades had expressed deep concern about a development going in next to the Kaiminani roadway. I would like to see whether this development is a new development or it's an extension of what already is being involved, whether it's actually making some roadways into Kaiminani below the recreation center of the Palisades. What can you tell me about that?

DARROW: Here?

AIKELE: Yeah. Is there roadways authorized, being made there?

DARROW: The Lokahi Mauka and Makai project, which are located where the brown, the light-shaded pink and the yellow are located, that is a Planned Unit Development that was previously approved. One of the conditions of that PUD is that they require, they construct a road from their Makai project to connect with Kaiminani Drive below the community center. And so that's going to -.

AIKELE: That's that brown development there?

DARROW: Well, it includes the brown, a portion of the yellow and the orange area.

AIKELE: This is separate and apart -?

DARROW: Correct.

AIKELE: From what your development -?

DARROW: The development we're looking at at this point is where that red dot is located. Now the roadway issue is going to be an extension of Kakahiaka Street through the center of this development and then onto this proposed area. Now, these people in this area would have the option of also being able to come down here. Now, a condition of this application is that this project will not receive occupancy until either one of two things happen: either this roadway is constructed; or if these developers do not want to wait for that road to be constructed, then they will be required to improve the Homestead Road along this boundary and then, again, connect to Kaiminani.

AIKELE: You're talking about a Homestead Road that's already there?

DARROW: Well, it needs to be improved and then connected to Kaiminani Drive.

AIKELE: Is it a roadway that's actually being used?

DARROW: At this time, I don't believe it is being used. I don't think it's even constructed.

AIKELE: How do you call it a Homestead Road?

DARROW: That's the name of it.

YUEN: It's a road that's on the map as a right-of-way but does not exist on the ground, the Homestead Road in that area.

AIKELE: I can't understand why they have no approved water rights going in there and they're asking to develop further, and especially lower housing where there is no commercial area there whatsoever. It seems like you're putting the cart before the horse. What kind of planning are we having here? Nothing, it seems. I mean, we've been in the Palisades 22 years and don't even have a fire station there. We have, we finally got a volunteer fire station but we don't even have an approved fire station in the Palisades. How can they bring in other development where the roads are so congested now? It seems like the cart is going before the horse. It has been doing this ever since we've been there in the Palisades. How can you consider something like this?

FUJIKAWA: Commissioners, any questions with the testifier? If not, go ahead, John Stevens.

STEVENS: My name is John Stevens. I'm a principal involved in both the Lokahi project and the proposed project. I've been here for many years; and I've listened to many of the adjacent property owners and have a great deal of knowledge. A couple of things that should be brought to the Commission's attention: The adjacent property had allocations for Multi-Family and Commercial. They were deemed unfeasible for Commercial use and the Multi-Family was turned into Single-Family, to be more in tandem with the other adjacent property, the Palisades. So even with this new zoning, it's much less than what was approved 13 years ago.

As far as the water district, we've gone to a great difficulty in cost to bring water down, not only helping ourselves but serving the entire district, all the way down to the Queen K in conjunction with the Water Department.

The other idea about housing, especially affordable housing, is that it would take away some of the congestion, which is our main point on this property, by allowing affordable housing to be close to the job markets north. It will take away traffic congestion from Queen K and the Kona area; and that's why we've located this property in this area, also proximity to schools. Thank you.

FUJIKAWA: Any questions, Commissioners, with Mr. Stevens? Okay, if not, will you three step aside; and the Applicant, please step forward.

TYLER: Mr. Chairman, may I offer testimony?

FUJIKAWA: Go ahead. Mr. Tyler, you may go ahead and sit down, and raise your right hand, please. Do you swear to tell the truth on this matter now before the Planning Commission?

TYLER: Yes, sir, I do.

FUJIKAWA: Please state your name and your address?

TYLER: Good morning. Mr. Chairman, members of the Planning Commission and staff. My name is Curtis Tyler and I live at 73-4325 Laka Place, which is in Kona Palisades. My wife and I have had that home there for 31 years; and I also live in another location, the Kona Council Office, as you know.

Thank you for the opportunity to speak this morning. I had not intended to speak on this. Mr. Brooks has been trying to get a hold of me to meet with him for a couple of days. I had met with Mr. Brooks and Mr. Stevens in the past regarding their overall concept for this area, including the affordable housing. And the reason I wanted to speak this morning was to follow-up on Mr. Aikele's comments regarding traffic and roadway connections. And if I understand this correctly with respect to the rezoning proposed conditions, that nothing is going to happen, first of all, until they get some water. Second of all, in condition, proposed Condition No. I, and since I don't know if some of the audience have this or Mr. Aikele too, it says, "To reduce potential impact to residents in Kona Palisades and Kakahiaka Street, occupancy of the project shall not be allowed until the connection of the Lokahi project," gives the TMK, "to the Midlevel Road," which is the road that runs roughly parallel to Kakahiaka and intersects, is proposed to intersect with Kaiminani just makai of the volunteer fire station, until that, until the allowed, "until the connection of Lokahi... to the Midlevel Road...and the construction of the Midlevel Road from Lokahi project to Kaiminani Drive has been assured by bond or actual construction." And I would urge this body to make sure that there's a condition in there that it's not by bond but that it gets built first.

And I told Mr. Stevens and Mr. Brooks that, you know, my support of Lokahi was predicated on that road being built, and that no occupancy will take place until that road is there because the people on Kakahiaka, the people that live in that area, cannot handle any more traffic. And I was assured that that road was going to be built; and, forget it, we're not going to go with any bonds. We heard about bonds for years from other people. This road needs to be built, okay; and we can't have any more traffic put on there until another road is there. And, you know, it's already graded, it's ready to roll. And my understanding was that, for construction purposes, that road would be used to develop Lokahi and that it would immediately, it's going to be completed in conjunction with occupancy of Lokahi. And I would hope that this body, and I know when it comes to the Council, if you don't take this out, I'm going to move to take it out because this thing, or at least to make sure it's going to be built.

You know, Mr. Stevens and Mr. Brooks and I spent quite a bit of time talking about this. I worked with the Kona Palisades Estates Community Association because they have been very, very concerned about the Haseko project, of which this is a part of a former Haseko project, etc., and especially about the alignment of the road. So we worked with the University of Hawaii Chancellor's Office because they wanted this road to run right through the middle of the Kona Palisades Estates parking lot and also which would, you know, mean to negate the whole volunteer fire station which we've worked I don't know how many years to get that thing there. So, fortunately, because they got 500 acres or so they were able to move this thing, you know, 100 yards or so makai and still not impact the petroglyphs in the cave that are located just in close proximity.

In any case, the University is not going to construct that road right away. They're going to go through, use Hilo, Hilo, and it's going to come out by the airport, if I understand that. So that's not going to be a problem for now. But at least when Lokahi went in, Mr. Stevens and his group did get that road graded, and it is in the proper alignment. And I was assured that that road would be opened, and I think it is their plan to do so. But let's not play hocus pocus with bonds 'cause, you know, by the time the County tries to build the road, I don't need to tell you that in 40 years they haven't been able to build Alii Highway; and based on yesterday's meeting it doesn't look like it's going to happen.

So, the other comment I wanted to make is that when Mr. Stevens, and actually Mr. Dickler, the president, when he subsequently came on board, we had a meeting. When we talked, and Mr. Brooks, when we talked about this project, and they talked to me about affordable housing, I was very, very happy to hear about affordable housing. Now, we all know that affordable housing is in the eye of the buyer and the seller. And, you know, the Council just had a big workshop on this in Kona on Tuesday. And we heard from the people loudly and clearly that affordable housing shouldn't be 150 percent of the median income, it should be 60 percent of the median income, which is \$51,000, because nobody else can afford that. And the people at a 150 percent or even at \$51,000 don't need a subsidy, you know. Those of us who make a lot less money than that, we understand what these people are going through, and we also understand and anybody who's just has their eyes open in Kona knows that property values are just going outrageously high.

So any effort that you folks in concert with the Council and in concert with landowners and developers can make to promote affordable housing in close proximity, as Mr. Stevens mentioned, to the place of employment is going to assist all of us, and it's going to help to at least prevent further deterioration of our quality of life.

And I wanted to thank Commissioner Springer for her sensitivity regarding meakanu, the local, the native plants. You know we have a State law that says public projects is supposed to use meakanu, native plants, and yet we see Norfolk pines put in. I'm sorry to say my wife's great-grandfather brought those to Hawaii in the 1870's. Nevertheless, we have the most beautiful plants in the world, and they are no place else in the world, and

they grow wonderfully well. As Mr. Brooks pointed, they don't need a lot of water, and that's the part of Keakaha land area, it's a dry land area.

So I hope that you folks will all pay attention to this. These plants grow readily. And rather than bulldozing the alaha'e, which are common in some areas but most people don't have a clue what they are, or the mamane or the many hundreds of other plants that are here, we should be doing everything we can to foster the proliferation and growth and protection of these on our own properties. And if you doubt that, you can come to my property in Kona Acres and see what's going on. My son tells me I won't be able to ever get rid of it because it's going to have so many endangered plants on it we won't have anything to do. But they won't be endangered if we all get going on it.

So I'm sorry to digress on it, Mr. Chairman, but I think there's great potential here; and I hope that it is the developer's intent to help this community -. At the same time, we must make every effort not to further compound the existing problems. Thank you very much.

FUJIKAWA: Any questions, Commissioners, with Mr. Tyler? None.

TYLER: Thank you.

FUJIKAWA: Will the Applicant please step forward? Gentlemen, you heard the testimony from four of those people. You want to say anything? Go ahead.

DICKLER: The only comment I'd like to make is, with respect to Councilman Tyler's request, that we remove the bond condition that we're -. We're okay with that. We would be willing to accept.

FUJIKAWA: Any questions, Commissioners? Springer?

SPRINGER: I appreciate the Applicant's comment regarding that part of Condition I. Mr. Director, do you have any comments?

FUJIKAWA: Chris Yuen?

YUEN: It's fine with me. It makes -. It makes it a little bit more difficult for them. My view is that a bond does assure construction. A typical bond would be a year or two. But if they want to allay any fears about their intentions by saying that, for having the condition read that the construction will be completed, then that's fine with me.

FUJIKAWA: Go ahead. Any other questions? You have -.

BROOKS: The only other comment that I wanted to address was, I think the access issue has been covered adequately. The walking path, the need for walking paths, etc., is addressed in the fact that along the extension of Kakahiaka, when that road is

improved, it will include sidewalk along one side so that people will be able to get back-and-forth there without a problem there.

The other issue that I wanted to address was the comment about no water rights. Obviously, there are water rights to the property that are adequate for the existing subdivision. And the proposal is conditioned upon us being able to satisfy the Department of Water Supply's concerns for water in that area, so not a problem.

FUJIKAWA: Okay, any other, any questions, Commissioners, with both these gentlemen, the Applicant? If not -.

SPRINGER: Mr. Chair?

FUJIKAWA: Go ahead, Springer.

SPRINGER: Aside from the extension of Kakahiaka, will the internal roads be user-friendly for bicycles and pedestrians?

BROOKS: That is correct, yes. And, also, I'd like to point out, too, that, one other comment that was made by Mr. Gimpel. It was not necessarily addressed but I, and Bruce Wichert is here in the audience. When the traffic study was done, it did take into consideration the traffic at the Queen K intersection. All that was analyzed. So if there are specific questions about that, those could be addressed to Mr. Wichert.

FUJIKAWA: Go ahead, Springer.

SPRINGER: Am I looking at a representation of the internal traffic, or where may I find that?

BROOKS: That map that you're looking at there is for the Lokahi Makai and Mauka. That's for the PUD that Mr. Darrow was addressing earlier.

SPRINGER: You have anything of yours?

BROOKS: I'm sorry? Hannah?

SPRINGER: Is there anything representing the internal traffic flow, just what's up there?

BROOKS: Just up there.

SPRINGER: Thank you.

FUJIKAWA: Any question, Commissioners? Your decision -. Do we have a motion to accept -? We're looking at SLU 04-001.

SPRINGER: Mr. Chair, with regard to Westpro Development, Inc.'s State Land Use Boundary Amendment application, SLU 04-001, I move for its approval, taking into consideration the Background Report, and the Findings and Recommendations of the Planning Department.

MCCALL: Second.

FUJIKAWA: There was a motion made by Springer, Commissioner Springer, and seconded by McCall, that the application for SLU 04-001 be accepted. Any discussion? Graham?

GRAHAM: I'm in a bad situation personally but it's not, probably we're just doing recommendations here but that -. You know, I'm not totally comfortable with it but a lot of that's due to my own lack of knowledge of what's here. But I'm concerned a lot about the Land Use Commission's segmentation issue which we've had for several years, segmentation being whether the, a larger area being dealt with but it's pulled into parcels smaller than 15 acres so that they can be handled on the County level. I don't know. I just wanted to let that be known that I'm still concerned, but I accept that a lot of my concern may be due to my own ignorance. Thank you.

FUJIKAWA: Any other discussion? McCall?

MCCALL: Did we want to make an amendment to the, I forget which letter it was with the, on the landscaping?

SPRINGER: That's in the next motion.

MCCALL: Oh, okay, okay. Oh, yeah, I'm sorry.

FUJIKAWA: Okay. Staff, go ahead with the roll call.

DARROW: Thank you, Mr. Chairman. Commissioner Springer?

SPRINGER: Yes.

DARROW: Commissioner McCall?

MCCALL: Aye.

DARROW: Commissioner Alameda?

ALAMEDA: Aye.

DARROW: Commissioner Graham?

GRAHAM: No.

DARROW: Commissioner Smith?

SMITH: Aye.

DARROW: Commissioner Thibadeau?

THIBADEAU: Aye.

DARROW: And Mr. Chairman?

FUJIKAWA: Aye.

DARROW: The motion passes six to one.

FUJIKAWA: Go ahead.

SPRINGER: Mr. Chair, with regard to the Westpro Development, Inc. Change of Zone application, REZ 04-004, I move that a favorable recommendation of the subject request be forwarded to the County Council, taking into consideration the Background Report and the Findings and Recommendations as presented by the Planning Department, including amendments to Conditions F regarding the use of native species in planting, and I regarding striking the reference to a bond.

FUJIKAWA: Do I hear a second?

MCCALL: Second.

FUJIKAWA: Motion is being made by Springer, and seconded by McCall, that application for REZ 04-004 be accepted. Any discussion? If not, staff, go ahead.

DARROW: Commissioner Springer?

SPRINGER: Yes.

DARROW: Commissioner McCall?

MCCALL: Aye.

DARROW: Commissioner Alameda?

ALAMEDA: Aye.

DARROW: Commissioner Graham?

GRAHAM: No.

DARROW: Commissioner Smith?

SMITH: Aye.

DARROW: Commissioner Thibadeau?

THIBADEAU: Aye.

DARROW: And Mr. Chairman?

FUJIKAWA: Aye.

DARROW: The motion passes six to one, with amendments to Conditions F and I.

FUJIKAWA: Okay, gentlemen, thank you very much. You'll be informed by writing by the Planning Department.

DICKLER: Thank you, Mr. Chairman. Thank you, Commissioners.

The discussion ended at 11:14 a.m.

Respectfully submitted,

Sharon M. Nomura, Secretary