

3/23/90

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STATE OF HAWAII
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IN REPLY REFER TO:

FILE COPY

**NEGATIVE DECLARATION
FOR
VILLAGES OF KAPOLEI GOLF COURSE ADDITION
EWA, OAHU, HAWAII**

Applicant: Housing Finance and Development Corporation
State of Hawaii

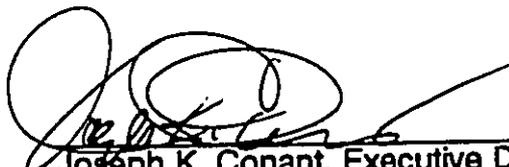
Accepting Agency: Housing Finance and Development Corporation
State of Hawaii

Project Description: To receive land use approval from the Land Use Commission to change approximately 58 acres of land from "Agriculture" to "Urban" designation. The additional acreage is needed for expansion of the Villages of Kapolei Golf Course to total 185 acres to serve as a recreational amenity and as a major drainage retention basin to accommodate 300 acre-feet of storm water runoff.

Determination: An environmental impact statement is not required pursuant to Chapter 343, Hawaii Revised Statutes.

Rationale: No significant environmental impacts are anticipated.

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1990-03-23-0A-FEA
Villages at Kapolei
golf course Extension



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OFFICE OF ENVIRONMENTAL
QUALITY CONTROL

To: Mr. Harold S. Masumoto, Director
Office of State Planning

Subject: Petition for Amendment to the State Land Use
District Boundaries
A90-653 (Housing Finance and
Development Corporation)
Agricultural to Urban
Extension to Golf Course at Kapolei Village Master
Planned Project
TMK: 9-1-16: por. 25 Ewa, Oahu
Area: 58 acres

The Department of Agriculture has reviewed the subject petition and offers the following comments.

According to Exhibit 7 of the petition, proposed findings of fact, the petitioner seeks to increase the size of the golf course within the Villages of Kapolei to provide more area for retention of storm water runoff in a basin size of 300 acre-feet, enhance the golf course, and provide additional buffer. Without the expansion area, the retention basin would have to be much deeper; this would have adverse effects visually and on maintenance costs and lost revenues of the golf course.

References made in Exhibit 3, the Environmental Assessment (EA), to soils studies are correct.

Exhibit 4, the final order of condemnation, indicates that land acquisition of the subject property was for the purposes of low to moderate income housing, public facilities, and land banking for housing.

We have the following concerns regarding the expected adverse impacts of the proposal.

- Oahu Sugar Company (OSCo) plans to reduce operations to a single mill configuration by 1991 (Exhibit 3, Appendix D, page 5) and expects, by 1994, to be operating a plantation of 9,585 acres with a yield of 13.7 tons of raw sugar per acre (TSA) or 63,000 tons/year (Exhibit 3, page 14).



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Comment: Everything else being equal, what is the total minimum tons of raw sugar per year necessary to maintain economic viability in a single mill configuration? If the 63,000 tons is at or near the minimum annual tonnage needed for OSCo to remain viable, it is imperative that further losses of high yield/low cost of production lands be prevented. We understand that the OSCo fields (21, 42, 45) wherein the project site is situated recently had yields of 15.5 to 16 TSA, which puts them at the higher end of OSCo fields in terms of yields.

The need for OSCo to re-commence sugarcane production on 586 acres of fallowed Kunia lands is an example of the danger of contracting an agricultural activity to the point where there is little, if any, leeway to expand as necessary. Furthermore, much of the Kunia lands are situated above the Waiahole Ditch system, therefore necessitating the pumping of irrigation water. The cost of pumping water was given as one of the reasons why OSCo abandoned the cultivation of these fields in the first place several years ago.

- OSCo views the removal of 58 acres "...as a threat to its long term survival" (Ibid, page 15). The specific impact on OSCo is estimated to be 478.5 tons of raw sugar and a total dollar loss of \$176,540 per year, based on 1989 prices (Ibid, page 15).

Comment: We concur with OSCo's finding. In terms of percentage, the impact of this single proposal is small in comparison to the other planned and proposed projects affecting OSCo. However, the project represents an eastward encroachment from the edge of Kapolei Villages into OSCo's largest contiguous area of sugarcane cultivation.-----

- The reduction of OSCo's operating acreage from 12,222 to 9,585 acres by 1994 and down to 8,950 acres by the year 2010 (Exhibit 3, Appendix D, pages 12, 13) is to result from the build-out of 3,861 acres of planned and proposed developments affecting OSCo (Ibid, page 10).

Comment: In comparing the findings found in Appendix D to those found in a similar study recently done by the same sub-consultant for the Kapolei Business-Industrial Park Draft Environmental Impact Statement (December, 1989), we found the numbers regarding the intermediate- and long-range impact on OSCo of the subject project and other projects to be quite different (Kapolei Business-Industrial Park DEIS,

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Appendix J, Tables 2 and 3, pages 10, 11; and, Petition, Appendix D, Tables 1 and 2, pages 10, 11). For instance, the Kapolei Business-Industrial Park DEIS states that the planned and proposed projects affecting OSCo totals 5,750 acres and would result in a reduction of total OSCo acreage from 13,487 acres in late 1988 to 11,490 acres by 1995 to about 7,740 acres after an assumed 20-year build-out period. The current petition states that the planned and proposed projects affecting OSCo would reduce cultivated lands (12,222 acres as of early 1990) by 3,861 acres, resulting in a plantation of 9,858 acres by 1994 and 8,950 acres by 2010. The assumed build-out, to be evenly spread over a 20-year period as stated in Appendix J of the Kapolei Business-Industrial Park, does not apply to the present petition. Is this petition's build-out distribution based on actual project phasing?

There is no explanation in Appendix D why there is such a significant reduction in acreage to be withdrawn from OSCo cultivation. Specifically, why are some projects such as J. Myers Golf Course, Royal Kunia Phase I, and Kapolei Knolls not included as planned and proposed projects? Why do the Kapolei Villages and Ewa Gentry projects' impact on OSCo sugarcane acreage appear to be understated by 400 and 580 acres, respectively? Why is seed cane acreage now 6.7 percent of total available acreage, down from 10 percent?

The bottom line is that, according to the petition, the future for OSCo in the intermediate- and long-run is much more hopeful (everything else being equal) than what it was less than six months ago. However, there is no effort made in the petition to reference sources and validate the new information, nor is there an effort to reconcile the differences between the Kapolei Business-Industrial Park DEIS and the subject petition.

Conclusion

The Department of Agriculture is on record as being supportive of the second city concept in Ewa. We have long recognized the need for affordable housing and we support efforts to locate such housing in the Agricultural District, provided that such housing is situated on vacant lands poorly suited for agricultural use.

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As stated earlier, the subject petition would result in a direct impact on OSCo that is small in comparison to the other planned and proposed developments in Ewa and Central Oahu. Nevertheless, the continued piecemeal chipping away at OSCo's cultivable acreage will have a irreversible long-term effect. Oahu Sugar Company's plan to reduce milling operations is in response to this largely forced withdrawal of cultivable lands. The point where no amount of manipulation of sugar yields, cultivated acreage, and processing factors can keep OSCo economically viable is getting ever closer.

From the evidence in this petition, it appears that the intended purpose of the proposed reclassification is essentially to improve the aesthetics of a golf course project which has already been approved. We believe that the 127-acre, 18-hole golf course originally planned as part of the Villages of Kapolei should be sufficient to support the needed housing which will be developed. We can find no overriding public interest in the reclassification of prime agricultural lands in this case, particularly when the removal of these lands may constitute a threat to the long term survival of Oahu Sugar Company. In addition, we question whether the purpose of this petition is consistent with the intent of the final order of condemnation for land acquisition of the subject property. Therefore, we cannot support the subject petition, and recommend that it be denied.

Yukio Kitagawa
YUKIO KITAGAWA
Chairperson, Board of Agriculture

c: Land Use Commission
Office of State Planning (attention: Land Use Division)
Department of General Planning
Office of Environmental Quality Control ✓
Oahu Sugar Company (attention: Mr. William Balfour,
President and Manager)