

WAIAHOLE.

WAIKANE

NEWS ARTICLES

PHASE II

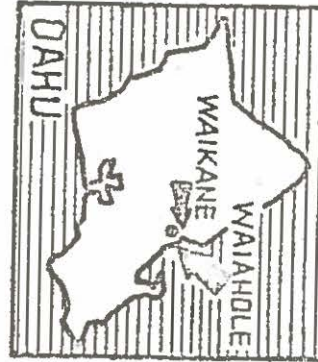
1975

PART A

Aloha!

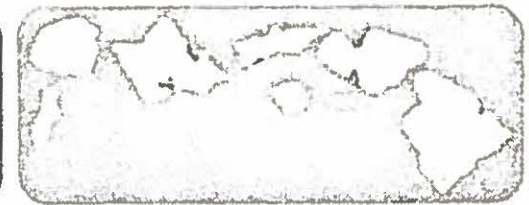
Today is Thursday,
May 22, 1975

Hawaii



McCandless land in Waiahole-Waikane is sold to developer Joe Pao
Page A-3

The Honolulu Advertiser Hawaii Report



★★ Thursday, May 22, 1975 A-3

2,500 acres in Waiahole-Waikane

Pao buys McCandless land

By ANNE HARPHAM
Advertiser Staff Writer

The sale of the McCandless lands in the Waiahole-Waikane Valleys to Island developer Joe Pao was announced yesterday.

Mrs. A. Lester Marks announced the sale of her land, which covers more than 2,500 acres in the two valleys. Mrs. Marks would not comment further on the sale. Pao could not be reached.

The Waiahole-Waikane area was the subject of much controversy last year when McCandless Estate heirs sought to have 1,337 acres rezoned to urban and rural use. The Land Use Commission unanimously turned down the rezoning

request in December.

The proposal had been actively opposed by residents of the area, who formed the Waiahole-Waikane Community Association. At that time there were rumors that the McCandless land would be sold to a Pacific-area developer, Ken Jones Jr., with Joe Pao acting as agent.

Residents opposed the urbanization move because they said it would drastically alter their life-styles. The area is composed of many small farms which supply major portions of papaya, sweet potato and other crops to the State.

Development plans called for a 6,700-unit housing project.

During the rezoning controversy, the estate and community association at-

tempted to negotiate. The McCandless estate offered to set aside agricultural land. The offers were rejected by the association because they felt there was an inadequate amount of good agricultural land in the plan.

The State Department of Agriculture was a party to the negotiations, but was on record as favoring an agricultural park in the area. Their plan would have structured farms into closer, efficient units under a system providing long-term leases.

At a hearing before the Land Use Commission, a spokesman for the McCandless heirs said the rezoning was proposed because "the continued use of the ... valley as it presently exists is

impractical. Housing that can meet the ability to pay and still retain some of the amenities of the existing life-style is the desired objective."

In the existing agricultural zoning, landowners can develop some of the land in two-acre lots.

In announcing the sale, Mrs. Marks said that dependent upon zoning, Pao plans to allot more acreage for agricultural use and intends to develop low-cost housing as well as residential and some commercial improvements.

In March, State Agriculture Director John Farias expressed the fear that the two-acre lots could be a forerunner of future urban development.

Pao Planning to Hike Rents in Waiahole

The new owner of 2,500 acres of McCandless property in Waiahole and Waikane Valleys is planning to increase the rents to the small farmers who now have month-to-month leases on the land.

The Star-Bulletin learned of the proposed lease hikes in the wake of an announcement yesterday that the land had been sold to developer Joe Pao.

A notice to the tenants May 1, signed by Mrs.

Loy McCandless Marks, who sold the properties, said new tenancy agreements would be sent to the farmers "within the next two weeks."

BUT VALLEY residents said today they have not been told what the new rents will be.

The community association has decided to negotiate the new leases jointly, so that some tenants are not given long-term leases while others are excluded.

Mrs. Marks' letter said: "There has been a change of ownership of the McCandless properties in Waiahole and Waikane, and therefore new tenancy agreements must be signed.

"A current survey of the Waiahole-Waikane area indicates the necessity for updating rentals in accordance with present market values and increased tax schedules. These new rentals will be effective June 1, 1975 . . ."

RESIDENTS said the letter was sent to the tenants by registered mail. And since then, agents for Mrs. Marks have been in the valley talking to the various tenants.

Pao, in association with Pacific-area developer Ken Jones Jr., had plans to develop 1,337 acres in a multi-use master plan, but approval was denied by the State Land Use Commission last year.

The development plan called for 6,700 housing units to be constructed in the next 15 years.

WHILE THE landowners did not get the urban zoning they requested, it still is possible to develop some of the property into two-acre "agricultural subdivision" lots.

Waiahole-Waikane now is used by small farmers who supply major portions of papaya, sweet potato and other crops to the State.

The State Department of Agriculture and Gov. George R. Ariyoshi have opposed development of housing in the valleys without some compromise to make certain that at least part of the areas is retained for agriculture.

PAO REVIVES PLANS for Waikane homes

By LEONARD LUERAS
Advertiser Staff Writer

Land developer Joe Pao, who on Wednesday bought 2,868 acres at Waiahole-Waikane from the McCandless Estate for an undisclosed price, said yesterday he still wants to build 6,700 housing units on part of that land.

He said he will file an upzoning (from agricultural to urban) application with the State Land Use Commission within 60 days.

If he doesn't get the urban zoning he wants, Pao said, he plans to subdivide the land into about 1,000 two-acre-plus agricultural house lots in accordance with the existing zoning.

"But it would be a dirty shame to take this beautiful land and put it into two-acre lots when we could build some low-cost and moderate-cost housing in there and take care of our schoolteachers, firemen, policeman and other average income earners," Pao said.

PAO SAID that ideally he'd like to get urban zoning on his new properties then immediately proceed to develop a 3,000-unit subdivision on the Waikane lands.

"That way if we start on the Waikane side first, about 95 per cent of the people, who live in the Waiahole side, won't be affected.

"Then when we finish on the Waikane side (in an estimated five or six years) we'll have plenty of low-cost housing units for the Waiahole people to move into."

Pao declined to estimate how much the housing units would cost.

"IT'LL DEPEND on material and labor costs at the time we build. I'd hate to tell you (the houses will cost) \$40,000 and then have to sell them at \$50,000.

"But I'll tell you one thing: the price will be below market value."

Pao said his upzoning petition will be similar to one he helped the McCandless Estate draft for presentation to the Land Use Commission during last year's five-year boundary review. The commission unanimously rejected that proposal in December.

However, he said his new petition as landlord will provide for a special 711-acre agricultural park which will include 311 acres of agricultural land and 400 acres earmarked for growing bananas and grazing cattle.

"Farmers in the area are using only about 160 acres right now," he said.

PAO ALSO SAID he plans to "give agricultural tenants in the valleys a 15-year lease with an option to purchase the land in fee.

"This is all going to be fee-simple property, so we're not going to be hurting the farmers. We'll be giving them more agricultural land than they now have, and they'll have an option to buy it."

Pao declined to comment on how much he paid Mrs. A. Lester Marks for the Waiahole-Waikane properties.



PAO

"It was a buy-out. I can tell you that. But I can't tell you what the figures are," he said.

Pao also indicated that dealing in such large amounts of island lands is nothing new.

"I've been doing this all my life. I had 16,000 acres here one time," he said.

MEANWHILE, residents of the Waiahole-Waikane valleys indicated yesterday that the Pao sale "caught us by surprise," but Bobby Fernandez, the young president of the Waiahole-Waikane Community Association, said Pao will be "just another landlord."

"And he really isn't a new figure in the ball game. He's been in on things all along. He's just the landlord now," Fernandez said.

The community association's steering committee met last night to discuss the Pao purchase and its potential effects on the Waiahole-Waikane area.

"RIGHT NOW, though, we're still trying to get more information on it," Fernandez said. "Why Pao bought it? Why Mrs. Marks (who owned the McCandless lands in the area) sold it?"

"So far the purchase hasn't been recorded yet (at the State Bureau of Conveyances), and we don't really know if it will be."

Fernandez noted, however, that Pao, two of Mrs. Marks' associates, Jack Meek and Giancarlo Chiolo, and two other unidentified persons spent much of yesterday afternoon touring the Waiahole-Waikane area.

"We're keeping our eyes on him," Fernandez said.

PUKA SHELL

Pao
Revives
Plans
for
Waikane
Homes
5-23-75

5-30-75
But Doesn't Tell Much

Pao Talks About New Development

By Jerry Tune

Star-Bulletin Writer

Developer Joe Pao today disclosed some of his plans for land he is acquiring in Waiahole and Waikane Valleys while residents of the valleys demonstrated outside his Kaula office in protest against the development plans.

Pao said notices were going out today with a new rent schedule for the farmers in the area.

He said he does not know what the new rents are.

The notices were being sent by McCandless heir Mrs. Lester Marks, who still retains management over most of the valley land, Pao said.

PAO IS taking possession of property in Waikane Valley, mauka of

Kamehameha Highway, and plans to relocate farmers there to make way for a housing development.

In another year and a half he takes over property in Waiahole Valley, under the agreement with Mrs. Marks.

Pao said details of the land deal will remain secret, since he has no plans to record the documents.

The total land in Waikane Valley going to Pao is 1,968 acres. The later acquisition in the Waiahole Valley will involve 900 acres.

THE RESIDENTS today claimed Pao's plan for the 2,868 acres is essentially the same plan rejected by the State Land Use Commission last year.

They said the 711 acres

set aside for agriculture in the plan is composed mainly of "billy-goat land," flood gullies, or land that actually belongs to the State and other private owners.

"Neither Mrs. Marks nor Pao have informed anyone in the valleys of the land sale, told us how our tenancies will be managed, or given us details of the supposed 'new' development plan," said Robert Fernandez, president of the Waiahole-Waikane Community Association.

"Therefore we cannot be sure what Pao has in mind for us, but we can comment on some of the information he made public in the media last week."

Fernandez said the high improvement costs for the

development make Pao's talk about low-cost housing ridiculous.

"PAO HOLDS over everyone's heads the possibility he will build 1,000 homes on two-acre lots as present agricultural zoning would allow," Fernandez said.

"Considering the improvements he would have to put in, our calculations last year indicated he would not be able to make a profit on this plan."

Fernandez questioned whether the State Land Use Commission would be any more receptive to the "new" Pao plans than it was last year.

"... for the State to commit a large block of scarce agricultural land on the Windward side to urban development now



Joe Pao

would be contrary to at least two tenets of the (State) Department of Planning and Economic Development's Growth Policies Plan," he pointed out.

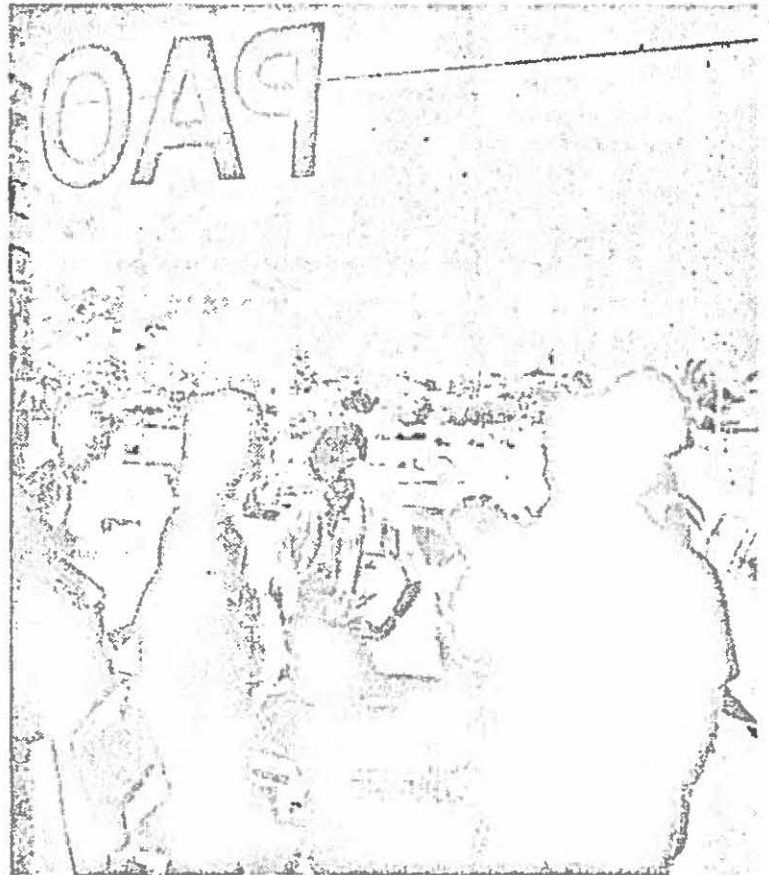
"That document calls for more diversified agriculture, and the confinement of urban growth to urban corridors which can be serviced with least expense."

5-31-75



Advertiser photos by David Yamada

Pao relaxes in his Kailua office as members of association gather in front for press conference.



Waikane group rips Pao project

Developer Joseph Pao's latest development plan for the Waiahole and Waikane Valleys has run into opposition from residents there.

During a press conference yesterday in front of Pao's Kailua office, members of the Waiahole-Waikane Community Association said the plan for the 2,868 acres involved is the same one rejected by the State Land Use Commission and the State Department of Agriculture last fall.

Pao, who has applied to the commission for an upzoning from agricultural to urban, wants to build 6,700 housing units in the area.

HE PURCHASED the acreage last week from Mrs. Loy McCandless Marks for an undisclosed amount, with Mrs. Marks retaining control of the Waiahole area for two years.

Spokesmen for the community association said Pao's newest development plan

has many flaws, including a proposed 711-acre agricultural park that is made up mostly "billy-goat land, flood gullies" or land that belongs to the State or private landowners.

Association members also said Pao's plan does not protect the "integrity" of the community and the agricultural goals of the State.

PAO HAS SAID that if the rezoning does not go through, he will subdivide the land into 1,000 two-acre housing units that is in accord with the present agricultural zoning.

Pao complained that "these farmers think they own the land, but they just rent it from month to month."

He said one resident, for example, pays \$90 a month rent while Mrs. Marks pay \$210 a month in taxes for the same property.

Pao expects Mrs. Marks to mail new leases, with rent increases, to residents in the area early next week.

R ★★

McCandless Estate land

Lease costs soar in Waiahole area

By LEONARD LUERAS
Advertiser Staff Writer

Residents of the Waiahole area of Windward Oahu who lease land from the McCandless Estate yesterday began receiving notices from the estate that their lease costs are being increased by 100 to 400 per cent next month.

A spokesman for the Waiahole-Waikane Community Association (WWCA) said last night that some 130 to 140 leaseholders in the area already have received the notices by registered mail.

The notices, which included unsigned leases, reportedly were issued over the signature of Mrs. Elizabeth Loy McCandless Marks, owner of McCandless lands in the Waiahole area.

"THE LETTERS asked us to sign the leases 'y June 20th. They said the reasons for the raises are increases in real estate taxes and other costs," said one leaseholder.

"They also said each tenant is responsible for taxes on his land above and beyond the lease rent," she said.

The WWCA spokesman said an open community meeting will be held at 7:30 p.m. tomorrow at Waiahole

Elementary School to discuss what legal recourses leaseholders may have to combat the increases.

"This increase needs a better explanation, and we're exploring the possibility that what they're (the McCandless Estate) doing might not be legal," he said.

EXAMPLES of increased lease costs included:

- The lease for the Waiahole Poi Factory Gallery on Kam Highway, which was doubled in cost from \$160 to \$320 a month.

- An increase from \$90 to \$400 per month for the lease of a four acre agricultural plot on Kam Highway which includes a home the owner built during the past 10 years.

The WWCA spokesman said of the raises:

"During the (State) Land Use Commission hearings last year, (Honolulu developer) Joe Pao warned many of us that if we testified at the Land Use Commission hearing and gave them (Pao and the McCandless Estate) a bad time, they would raise the rents and kick everybody out.

"Is that the kind of attitude people should have toward a public hearing — that if you voice your opinion publicly you should be condemned with a rental increase?"

"Is this rental increase phase one of his (Pao's) threat, and is he planning to follow it by kicking us out?"

PAO, WHO recently bought, 2,868 acres of Waiahole-Waikane land from Mrs. McCandless, said Tuesday that tenants "knew rents in the area had to be adjusted.

"There is nothing new about the increases," he said.

Pao said that on one particular lease parcel in the Waiahole area, the McCandless Estate was collecting only \$90 per month from the tenant while paying out \$210 per month in property taxes.

"That's ridiculous," he said. "The rents had to go up."

The WWCA spokesman said he doesn't understand the concern about taxes, "because most of us in the valley have been paying our own taxes all along — in addition to the rent."

In other developments in the area, residents of the Waikane area Monday received official notice from Mrs. Marks that their lease agreements with her will be cancelled as of June 30th, and that Pao's Pao Investment Corp., the new landlord, will notify Waikane residents of further developments in the near future.

Pao said he and Mrs. Marks, who is on the Mainland for about two weeks, will issue a formal press release when she returns "telling you exactly what we're going to do in the Waiahole-Waikane area."

JUNE 4, 1975

R **

McCandless Estate land

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JUNE 4, 1975

WAIAHOLE

WAIKANE

NEWS ARTICLES

PHASE II

1975

PART B

Adv.
Thu. 6-5

Ag chief criticizes Waiahole rents, Pao

By JILL SCHLENK
Advertiser Staff Writer

State Agriculture Chairman John Farias yesterday criticized recent rent increases for Waiahole-Waikane area residents in Windward Oahu, claiming that developer Joe Pao is trying to drive residents out.

However, Pao told The Advertiser that he had "nothing to do" with rent increases in Waiahole Valley and that no rent-like letters have been sent to those living on his recently-purchased land in Waikane.

Farias said his department will continue to oppose the plan to develop the Windward valleys because it runs counter to the Ariyoshi Administration's goal of more agricultural diversity and self-sufficiency.

Farias suggested a "land trade" with Pao might be one possible solution. Although only in the formative stages at this time, the idea would be to swap State-owned lands elsewhere for the land Pao recently bought from the McCandless Estate.

"WE ARE GOING TO TRY to get the Waiahole-Waikane area retained in agriculture and, taking a larger perspective, we're going to try to get all of Windward Oahu planned in agriculture in a broader approach," Farias said.

He added that, "specifically, in Waiahole-Waikane



FARIAS

we've asked Joe Pao to consider the agricultural community, and now I understand considering the agricultural community Pao increased the rents by 400 per cent in some cases."

Farias spoke with regard to notices that area residents began receiving Tuesday from the McCandless Estate stating that lease costs would be increased 100 to 400 per cent next month.

Pao bought 2,500 acres of the valley land last month from McCandless heir Mrs. Lester Marks. He has said he will apply soon to the State Land Use Commission for urban zoning of the land.

Farias said such urbanization of the land could be the start of further urbanization of land all the way up Oahu's Windward coast.

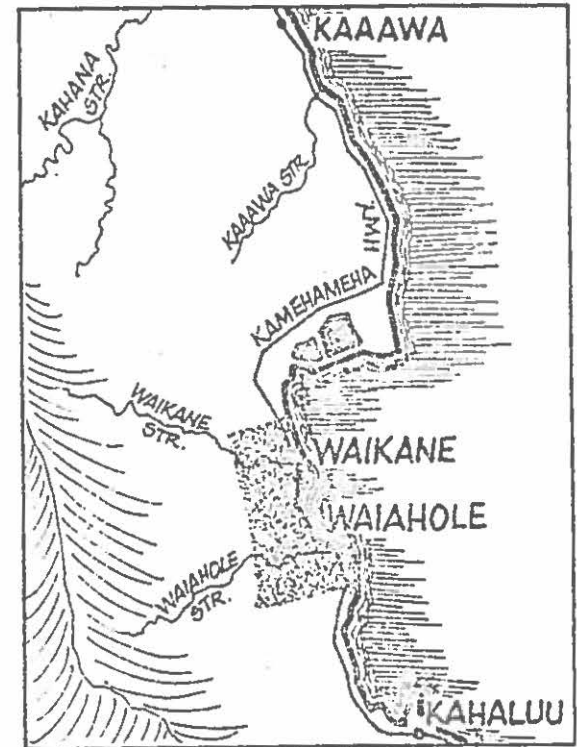
HE ADDED THAT THE land, now under small-scale agricultural use, has the potential of an expanding agricultural base, and that the State ought to take a broader look at the Windward Oahu area for possible agricultural use.

One problem with such a residential plan would be the use of water from the Waiahole ditch. The ditch runs across Windward Oahu into the central plains area of the island, with 30 million gallons of its water being used each day for agriculture in central Oahu.

"If there is a 7,000-unit subdivision in Waiahole-Waikane sooner or later this water will be tapped," Farias said.

He added that, "When there are urban demands for water and agricultural demands for water, historically agriculture takes second place." He said the limited water supply could eventually force land in the area out of agricultural use.

FARIAS SAID HIS OFFICE sees the upping of lease



Advertiser Map

Map shows affected portion of Windward Oahu.

rents "as an approach to drive people out of the lands in the Waiahole-Waikane region, and we saw it as a first step into forcing that land into urban development."

Sixteen hundred acres of the land is zoned as "Agriculture 2" land. Farias said Pao could build on the land as it is presently zoned by developing two-acre subdivisions, but that the cost would be very high.

Pao said if the land currently zoned under "Agriculture 2" cannot be rezoned for urban use, he intends to "get out" and sell the land to individuals in two-acre lots.

Time for Decision in Waiahole-Waikane

By Jerry Tune
Star-Bulletin Writer

Farmers in Waiahole and Waikane valleys, faced with skyrocketing land rentals of 100 to 400 per cent, are moving

ahead with a plan to organize all the tenants under one legal banner.

Leaders of the fight against developer Joe Pao are asking tenants to give the Waiahole-Waikane Community Association special powers of attorney so that any discussions with the landowner can be carried on in a logical, uniform manner.

"Our goal is to 100 per cent of the tenants (to give the power of attorney) and we believe we can get 90 to 100 per cent," said a spokesman for the association.

The main questions now revolve around the fine points of law, and the extent to which the landowners want to deal with the farmers in that manner.

SO FAR Pao has refused to deal with the association. Farmers interpret this as a "divide and conquer" tactic which they say will fail.

"When the rent increase notices went out, that did it," the spokesman said. "We've got no other choice now but to organize (legally)."

The farmers have until June 20 to return the new leases with their signatures. However, the association is being advised

by attorneys and there are several questions yet to be cleared up involving the legality of the entire situation.

First, the farmers still don't know all the terms of the land transaction between Pao, and his group, and Mrs. Elizabeth Loy McCandless Marks.

Mrs. Marks consolidated the ownership of the land from others in the family, but the details of the Pao deal are not in public record. Pao says he will not record the document.

HOWEVER, reports in the community and statements from some of Pao's associates indicate that the land deal is in phases.

The first phase, according to these statements, could be as little as 491 acres. The remaining portion of the 2,868 acres that Pao is buying may be contingent on the State Land Use Commission granting urban zoning for the land, which it refused to do last year.

The 491-acre figure also is reinforced after examining an application by the McCandless heirs to the City to subdivide certain parcels of Waikane

Valley land into new configurations.

In that application, the McCandless heirs refer to parcels of 1.4 acres, 490 acres, 37 acres, and 6.6 acres.

After denying the request, the City asked the landowners to submit more data.

SINCE that time, Pao has announced the pur-

chase of the 2,868 acres. He said he will go back to the Land Use Commission for urban zoning.

If that is denied, Pao says he will evict the farmers and subdivide the property into two-acre lots for sale, presumably, to very affluent people.

Since that type of marketing is more limited — if at all possible in these troubled economic times — the farmers believe Pao is trying to stampede them into signing unfavorable leases.

The real challenge before the farmers is to find a way to convince Mrs. Marks or Pao that some form of long-term commitment to agriculture is the only way that the Waiahole-Waikane property can return anything to the owners.

That is difficult to do unless both the City and State governments demonstrate to the landowners that moves for subdivision approval and urban zoning face strong opposition.

STRONG opposition can be translated as time delays, the one thing that developers fear when dealing with money and interest charges.

The State Department of Agriculture is monitoring the situation closely because of the important agricultural land involved.

John Farias Jr., State agriculture chairman, said yesterday that the key thing is regional planning for all of Windward Oahu.

"... There are some good agricultural lands in Waialahole and Waikane as well as in other valleys on that side of the Island," Farias said.

He also said the State is looking at ways it can "acquire the use of land" for agricultural parks.

WITH the situation in the valleys very strained at this time, the government may have to step in and make some kind of a peace.

Notices of the lease rent increases have set the time frame.

As one Waiahole farmer sum up the situation: "If you're paying one-third of your income out in rent, and then someone comes along and increases that

to two-thirds of your income, it really hurts... It doesn't matter how low it was to start off. It wrecks all your planning and budgeting."

Most farmers expect some increases in their rents. But they want them tied to an equitable system so they can stay on the land.

In the past, there have been suggestions from some observers that the rents could be tied to agricultural production — to stimulate farming and yet still yield a return to the landowners that is commensurate with the agricultural tax assessment.

Those discussions have been long forgotten by those interested only in the "highest and best

use" of the land.

The time finally has come for government to step in and make it perfectly clear just what is the best use of the

Waiahole-Waikane valley land.

Then any false expectations by farmers, or developers, can be settled once and for all.

Adv.
6-6-75

Waiahole group vows lease fight

The Waiahole-Waikane Community Association vowed last night to fight rent increases residents believe are intended to drive them off their land.

Leaseholders this week received letters offering new leases on their McCandless-owned land with rent increases of 100 to 400 per cent. Leases of 10 to 15 families in the Waiahole area were canceled outright.

About 225 persons attended an association meeting at Waiahole School last night. An association spokesman called the turnout "fantastic, the biggest we ever had." It was the first meeting since letters announcing the new leases were received.

THE MEETING was chaired by Bobby Fernandez, recently reelected

president of the Association.

Reporters were asked to leave the meeting because strategy in the lease fight was to be discussed.

After the meeting, a group spokesman said residents had discussed with their lawyer the exact meaning of the new leases, which they must accept or reject by June 20. They also discussed developer Joe Pao's plans for the land he recently purchased in the valley.

A steering committee of 14 Waiahole-Waikane residents will meet Sunday to complete plans to oppose the changes. The plans will be announced Monday.

"No way are we going to accept the new leases," the spokesman said. "The people are geared. We are going to fight."

Adv.
6-9-75

Farias has no comment on Waikane

Waiahole-Waikane residents received little encouragement yesterday for their hope that the State would condemn their lands to stop urban development planned for the area.

The question was posed to John Farias Jr., State agriculture director, after he outlined the State's new approach to keeping Hawaii's agricultural lands just that — condemnation of leasehold lands.

When asked on KGMB-TV's "Crossfire" show if he was prepared to say such an approach could be used in the Waiahole-Waikane area, Farias hesitated, then said:

"No, I'm not. We are looking at the whole issue and are considering all of the options."

Tenants call Waiahole terms illegal

6-10-75 By JAMES F. CUNNINGHAM
Advertiser Staff Writer

Protesting Waiahole-Waikane Valley tenants yesterday tried to serve formal notice on their landlord that they reject proposed new rental terms as illegal.

But Waiahole-Waikane Community Association leaders were barred by two Honolulu policemen from the premises at 3860 Old Pali Road when they sought to deliver the letter of refusal to Elizabeth Loy McCandless Marks.

Afterward, association president Robert Fernandez

told newsmen that identical letters would go by registered mail to developer Joseph Pao and to Mrs. Marks.

THE LETTER, SIGNED BY Fernandez, reports the association has obtained notarized powers of attorney to act for 150 persons now leasing property in either Waiahole or Waikane Valley.

It is directed to both Pao and Mrs. Marks "because of the confusion over who is the owner of the land" in question, the letter says, adding:

"Newspaper reports quoting Mr. Pao and Mrs. Marks are contradictory on the issue of ownership. Record title lists Mrs. Marks.

"Letters sent by Mrs. Marks to certain people who have signed the special powers of attorney state that Mr. Pao is the new owner."

(PROPOSED NEW RENTAL agreements being circulated to the tenants identify the "owners" as Loy M. Marks, a name understood to be used by Mrs. Marks under certain circumstances.)

Fernandez told a news conference outside the Marks mansion he had hoped to invite Mrs. Marks to attend a Thursday evening meeting of the association at Waiahole Elementary School.

"The residents especially hope she will come to answer questions and open communications," he said. "We have never met with Mrs. Marks, herself, only with her attorneys and representatives, so far."

A member of her household told The Advertiser by telephone that Mrs. Marks was out of town when the protesters called.

CITING THE EXAMPLE of the proposed increase of monthly rent for Sei Serikaku's 10½ acres from \$70 to \$315, Fernandez and Calvin I. Hoo, association first vice president, said:

"The rent hikes are designed to kick us out of our homes and off the land to make way for developers like Joe Pao and Ken Jones from Guam. . . .

"Mrs. Marks and Pao have attempted to justify the rent increases by saying property taxes have gone up," they said. "The fact is that most tenants pay the real property and other taxes. . . ."

Spokesmen said the association's aim is to get one lease for all tenants — "a long-term lease that will give us security and a basis for borrowing money to make improvements and expand our farming operations."

Waiahole Valley Farmers Refuse New Leases

By Jerry Tuna
Star-Bulletin Writer

Farmers in Waiahole and Waikane valleys have refused to sign new leases which they say are "ridiculously high" and designed to pressure them off the land.

A small group of valley leaders appeared yesterday at the home of Mrs. Lester Marks, owner of the land, to present documents refusing the lease terms, but City police turned them away.

The two policemen, waiting at the Marks' expansive home on Old Pali Road, said the letter would not be accepted. It now will be sent, via registered mail, to Mrs. Marks.

An identical letter will be sent to developer Joe Pao.

THE LETTER explains

that the farmers have signed documents giving special power of attorney to the Waiahole-Waikane Community Association to act as the negotiation representative for the people.

Both Mrs. Marks and Pao are invited to a meeting Thursday at 7:30 p.m. at the Waiahole School to discuss the situation.

Reasons for not signing the new leases, cited in the letter, are:

—The registered mail leases did not arrive 28 days before the effective date, as required by the landlord-tenant code.

—The documents may be illegal because of the confusion over who owns all of the land.

—The rental increases are "ridiculously high."

(ONE farmer's rent was increased from \$70 to \$315 a month; another's went

from \$35 to \$205 a month. The farmers point out that these are for month-to-month leases with no guarantee of long-term use of the land, while leases for some farmers in Hawaii Kai are only \$189 a year with 55-year terms.)

"Mrs. Marks and Pao have attempted to justify the rent increases by saying property taxes have gone up," said Robert Fernandez, association president.

"The fact is that most tenants pay the real property and other taxes — and the rent they paid on top of that all these years is the money with which Mrs. Marks has paid taxes on other parcels she has refused to lease to farmers who wanted to expand their operations."

Fernandez also said most of the people in the

valleys also built their own homes, yet under the lease these homes and any improvements are automatically the property of the landlord who didn't spend a money on them.

"Under the lease terms proposed, everything goes to the landlord," Fernandez said. "If the State were to condemn any land or houses, compensation would go to the landlord. The proposed lease term would be no way for the tenant to recover any part of his investment."

PAO, through the firm Community Planning Inc., has filed a new request for subdivision of Waikane Valley land. However, officials at the City's Department of Land Utilization said the application was incomplete.

The cover letter said

that a copy of the agreement of sale between Pao and Mrs. Marks was attached, but no such document was submitted.

Pao has said he will not record the document because the details are private.

Farmers in the valley believe that Pao has actually bought only part of the 2,868 acres he claims to have obtained. Most of the land, they believe, is involved in an agreement that is contingent on getting urban zoning from the State Land Use Commission.

In the subdivision request to the City, Pao asks for the creation of two large lots — one a net of 1,443 acres and another lot at 528 acres.

PART of the larger lot is shown as preservation on the Oahu General Plan.

Pao has threatened in the past to evict the farmers and subdivide the land into two-acre lots for sale to investors.

Fernandez said yesterday this may involve one of the large savings and loan firms in Honolulu.

"Joe Pao mentioned that part of his backing is coming from a savings

and loan institution," Fernandez said, "and so we are writing to Hawaii's three biggest ones today. They are Honolulu Federal, First Federal and Territorial.

"We are asking these financial giants if they are aware of what they're doing in backing Joe Pao. They are using our people's money to destroy the people who save with them.

"We also feel other people in Hawaii would like to know that the savings institution concerned may be using their money to back a very risky enterprise. The rezoning of Waiahole and Waikane to

permit urban development appears as unlikely now as it did last year."

The State Land Use Commission denied a request for urban zoning last year. Pao's application to the City involves development of two-acre houselots under current agricultural zoning.

Farmers' Landlord

• • Tuesday, June 10, 1975 Honolulu Star-Bulletin A-17

Given a Tenant's View

By Jerry Tuna
Star-Bulletin Writer

Mrs. A. Lester Marks, a landlord who recently raised rents for the farmers in Waiahole and Waikane valleys, also is finding out what it means to be a tenant.

It seems the State now is saying Mrs. Marks must move out of the palatial home on the Old Pali Road that the State was forced to buy when it constructed the Pali highway.

Mrs. Marks, 83, who once owned the home, has been living there and paying rent to the State since the mid-1950s.

LIKE THE farmers in Waiahole and Waikane, Mrs. Marks has only a month-to-month lease.

She pays \$500 a month for the 40-room mansion at 3860 Old Pali Road, which sits on rambling grounds and an expansive

front lawn. The mansion itself sits about a football field away from the road.

According to the agreement with the State, Mrs. Marks also must spend money to keep up the grounds and home.

But now the State wants to use the home for a training facility under the control of the Department of Budget and Finance.

ACCORDING TO one unconfirmed report, Mrs. Marks was told last June she could stay at the mansion for six months.

However, a spokesman for the State Department of Transportation, which manages the State lease, only would say that discussions are being held on the matter.

The estate has had both a colorful social and legal existence since the Marks family moved in back in 1946.

At the end of World War II, with the old Pali highway choked with traffic

from the growing Windward Oahu suburbs, the Territorial government wanted to put a new federal-aid highway through Nuuanu Valley.

THE ROUTE finally chosen bisected the 16-acre property which Mr. and Mrs. Marks had bought from Clarence Ccoke.

Mr. Marks, who was Territorial lands commissioner from 1943 to 1949, contended the Territory should follow another

Nuuanu route.

When the decision to go through their property was affirmed, Marks went to court in 1950 to block it.

The long, complicated battle finally ended in 1956 when the Territory negotiated the purchase of both the right of way and the house and six acres of land on the Diamond Head side of the right of way for \$624,000.

SINCE THEN there have been various propos-

als for the home, including a residence for the Governor and a consulate. It also was suggested at one time to tear down the home and construct 15 lots, each of 10,000 square feet.



STATE MANSION—The old mansion once owned by Mr. and Mrs. A. Lester Marks is being planned for use as a State training facility.

Fasi Asked to Discuss SB 6-13-75 Small Farmers' Plight

Farmers in Waiahole and Waikane valleys will assemble at 10 a.m. Monday in front of Honolulu Hale to urge Mayor Frank Fasi and City Council Chairman George Akahane to speak out on the plight of agriculture and small farmers on Oahu.

Both Fasi and Akahane will be asked to prepare remarks, organizers said.

"The State administration and Gov. George R. Ariyoshi have come out strong for protecting agriculture in Hawaii and we want to find out what the City position is on agriculture," a spokesman for the farmers explained.

LEASES ON land in Waiahole and Waikane are being increased 100 to 700 per cent by the landowner, Mrs. A. Lester Marks. The McCandless heir also is in the process of selling some of the land to developer Joe Pao.

A proposal to subdivide nearly 2,000 acres in Waikane Valley is being reviewed by the City's Department of Land Utilization.

Both Pao and Mrs. Marks were invited to attend a meeting of the Waiahole-Waikane Community Association last night, but neither showed up.

HOWEVER, Pao told

farmers earlier in the week that he is prepared to sit down and explain his development plan for the area.

There are about 150 tenants in Waiahole and Waikane, representing about 800 people.

The farmers have banded to try to negotiate more favorable leases with longer terms so they can continue farming.

Waiahole-Waikane fate

When the State Land Use Commission late last year unanimously rejected an application to upzone more than 1,000 acres of agricultural land in the Waiahole and Waikane valleys, many predicted that the would-be developers wouldn't give up all that easily.

But the speed with which Island developer Joe Pao has announced that he's preparing to bring the matter before the commission again is still surprising. There wasn't much time in between for the valley farmers to celebrate.

The situation has changed somewhat in the meantime, including the transfer in ownership from a McCandless Estate heir to Pao.

WHAT HAS NOT changed, however, are the sound reasons against allowing that development to proceed.

With the intent of the City Administration in its proposed new General Plan to direct urban growth toward Ewa, many feel that the City should try more vigorously to prevent some of the potential Windward development that was charted in the outdated existing General Plan adopted 11 years ago. But even in that obsolete plan — which critics say would allow too much Windward building — the City left almost all of Waiahole-Waikane designated as agricultural or preservation.

So the City's clear intent is and has been for years that those valleys should not be developed.

For its part, the State in December affirmed its position that the land should remain agricultural.

THIS VIEW was reiterated earlier this month by State Agriculture Director John Farias. He said his department will continue to oppose the development proposal because it runs counter to the Ariyoshi Administration's goal of more agricultural diversity and self-sufficiency.

He stressed that the land could play a key role in expanding Windward Oahu's agricultural base.

Farias added that he views — as do many others — the 100-to-400 per cent lease rent increases recently announced by Pao "as an approach to drive people out of the lands."

Pao has said that if he doesn't get

the urban zoning he needs to build his desired 6,700 housing units, he plans to subdivide the land into about 1,000 two-acre "agricultural" house lots — which presumably only the affluent could afford.

Pao himself describes this prospect as "a dirty shame" because it would preclude the possibility of any new low- or moderate-cost housing in the area.

A "DIRTY SHAME" it would be — but for another reason. It would circumvent the intent of the agricultural designation in the State Land Use Law.

Fortunately, the possibility of such a circumvention has already been scrutinized by City planners. A similar "agricultural estate" concept has been proposed by a Britain-based development firm for agricultural land near Kahuku on the North Shore. These developers have dubbed their concept "mini-ranches," which would be used for "horse-lovers."

This proposal would still need City approval for sewer and water facilities, and the City Planning Department is prepared to recommend against approval.

As one City planner put it, "Our interpretation of the law is that a significant portion of income from the land must continue to be derived from agricultural use — and keeping a few stud horses around wouldn't be enough."

Presumably, the Waiahole-Waikane developer would also need newer sewer and water facilities — thereby requiring City approval which City planners indicate they would also oppose.

THE CHALLENGE, it seems, for both the landowner and the State, is to seek ways to strengthen the agricultural return of that land. Perhaps the still disputed lease-rent increases could be tied to production, both stimulating more efficient farming and increasing the return to the owner.

But for now, it's encouraging that some State and City officials are suggesting that the valleys should not be developed — for it's from that point that planning the valleys' future should begin.

Sunday
Editorial

Some comforts and complaints

6-15-74

SUNDAY

EDITORIAL

I'm clearing my clipping files to make room for some new items that may furnish material for comforting, if not promising, future columns. For instance, there's Act 189, now signed by the Governor, which sets up a council to develop a comprehensive State-wide policy plan. It's an emasculated, topsy-turvy version of a thoroughgoing bill introduced by the minority party two years in a row, but if it does result in establishing coordinated State policies on social, economic, environmental and, finally, land-use questions, it will be cause for cheer.

As that and several other encouraging bits go in, I'm discarding notes that could only provide pessimistic comments and complaints, and one gets awfully tired of those.

FOR EXAMPLE, there were the newspaper stories about the fact that the Hawaii Housing Authority's houses won't sell—despite a desperate shortage of homes in the lower-income market that HHA is suppose to reach. There has been much speculation about the reasons for this odd phenomenon: poor publicity, red tape, difficult financing, bureaucracy and so on. But no one has mentioned quality—how good or bad is the site planning, building planning, unit planning of these places?

Is it possible that they are not the kinds of homes people want, in localities that people like? Or is it just taken for granted that today anyone below a certain level of affluence isn't supposed to have likes or dislikes and should grab thankfully for anything that's offered? Anyway, the question is worth studying, although the only studies of it I know about are ones being made by students at the University.

Then I'm throwing out some related clippings that annoyed and amused me: I wonder

how many people beside professional planners noticed that several important bodies have been set up recently to prepare future plans for Hawaii—with no planners as members. The Oahu Metropolitan Planning Organization, mandated by the Federal government to make long-range transportation plans for Oahu, consists of nine councilmen and 10 legislators. None of them, of course, is a professional transportation planner.

The State Economic Development Task Force, set up by Governor Ariyoshi to make

thomas h. creighton

long-range economic plans for the State, consists of 13 businessmen and women, three labor leaders and an architect. None of them, of course, is a professional economic planner. And naturally no professional social planner is on the Task Force that the Governor has asked to study HHA's problems in disposing of its houses.

I'M ALSO TOSSING OUT another pessimistic group of clippings because their import is too obvious and familiar to warrant any more comment. They have to do with the smug sureness of people who want changes in land-use classification that they will get what they want.

For a long while the top exhibit was the University, still planning a campus on central Oahu agricultural land with a petition for its reclassification to urban uses turned down last year even by the State Land Use Commission. But now the prize goes to Joe Pao, putting millions of dollars into Waiahole-Waikane agricultural land—and explaining to everybody how he's going to develop it—when

a bid to reclassify that acreage was also rejected by the SLUC last year.

Pao (whose last name is a word that means, in Hawaiian, to scoop out, dub out, chisel, bore, peck) makes no bones of his assurance that, boring long enough from within, he'll be able to scoop out that fertile surface and the homes and businesses that service it, in a year or so.

The State Administration has taken a contrary position, promising to oppose a change in use. We'll see, ultimately, whose will is stronger.

BUT THIS COLUMN intended for once to take note of pleasures and not complaint, so let me end it by reporting that I paid a visit to the Department of Land Utilization (the pragmatic half of the old Planning Department, which bothers itself with immediate problems) on the occasion of various City departments moving into the new Municipal Building. Poking around while I was there I was pleased to see some real urban design studies being started.

Architects and planners seem to be working together in harmony, with a will if not a sure purpose. The will is to get going on community design needs for places like Mōiiliili and others. The purpose, of course, must grow from the program and policies that the other half of the City's planning activity—the Department of General Planning, which deals with long-range problems—should some day produce.

It's a confused and confusing world in environmental affairs. Planning committees without planners, developers without zoning permission, urban designers without plans, general planners without policies. Small comfort, I'm afraid, after all.



PROTEST LEASE INCREASES—Farm families of Waiahole and Waikane and their supporters demonstrated today in front of the Old Pali Road home of Mrs. A. Lester Marks, owner of the farmlands. The farmers are protesting increases in their leases of as much as 700 per cent. Mrs. Marks is also selling some of the land to developer Joe Pao.—Photo by Terry Luke.

As hot potato bounces on

Waikane protesters get no RESPONSE

By James Dooley
Advertiser Government
Writer

Waiahole-Waikane residents yesterday tossed a hot potato to Mayor Frank Fasi, who tossed it to City Council Chairman George Akahane, who tossed it up in the air for either the Mayor or the State to catch.

The activity came after a delegation of some 200 Waiahole-Waikane residents marched in front of City Hall, protesting a plan to build a housing development and an increase in lease rentals in their area.

Fasi spoke with the protesters on the City Hall steps, telling them he opposes developer Joe Pao's plans to convert at least 1,000 acres of the farmland to residential use.

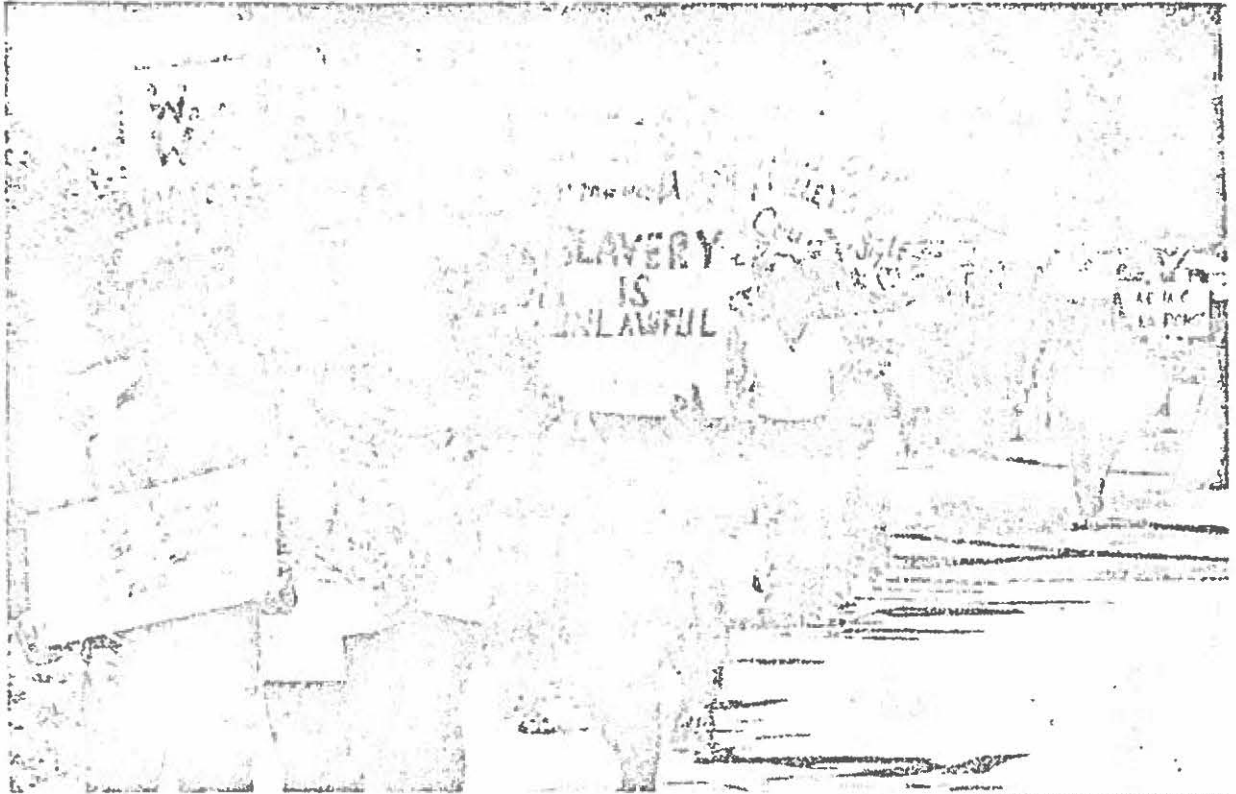
BUT HE SAID the only way to stop the development at the City level is through an amendment to sections of the Comprehensive Zoning Code dealing with subdivision of agricultural land.

The responsibility to make such an amendment lies solely with the City Council, Fasi said.

"I'm not passing the buck. I'm just telling you what the situation is," he said.

Pao has said he will pursue one of two methods to develop the agricultural land, which he recently purchased from Mrs. A. Lester Marks, an heir to the McCandless estate.

THE PRIMARY method will be petitioning the State Land Use Commission to rezone the land to urban use. If that falls through — and State Board of Agriculture Chairman John Farias, for one, is strongly opposed to upzoning — Pao has said he will resort to the subdivision method at the City level.



Advertiser photo by David Yamada

Waiahole-Waikane residents on their way to City Hall to protest housing development.

That approach would involve subdivision into two-acre houselots, according to Pao.

To forestall that, Fasi said yesterday, the zoning code should be amended to allow only agricultural land houselots of "at least five acres and possibly as large as 10."

At that parcel size, Fasi said, the land could not be economically developed for residential use.

AFTER MEETING with Fasi, Waiahole-Waikane group leaders spoke with Akahane on the matter.

The optimal method for keeping the land in agricultural use "in perpetuity" would be for the State to either condemn the land or adopt its own version of the five-acre subdivi-

vision lot size, Akahane said.

Barring that, the Fasi Administration could turn down Pao's application for subdivision or make a "strong recommendation" to the Council for the CZC amendment, he said.

AKAHANE also pleaded unfamiliarity with the details of the over-all issue. "I'm not passing the buck, you see," he told the protesters. "You're asking me to take a stand on something I don't know enough about."

He promised group leaders he would meet with them later on the possibility of initiating a CZC amendment.

But Akahane warned that such a move probably couldn't be undertaken

until City policy concerning all agricultural land on Oahu is ratified through passage of the Revised General Plan.

THE PRESENT General Plan states "very strongly" the City's policy to limit urban encroachment on agricultural land, Akahane said.

But the Revised Plan, prepared by the City Planning Department and currently before the Council for consideration, "is rather weak in its policy for agriculture," Akahane said.

"We are taking a long,

hard look at the Revised General Plan to strengthen" protection of agricultural land, he said.

Changing the detailed CZC before setting the over-all basic policy for Oahu agriculture would be the wrong way to go about it, Akahane said.

BOTH AKAHANE and Fasi said the matter of escalating lease rentals falls solely under State purview.

Pao recently announced that the rents for Waiahole-Waikane farmers are being increased 100 to 400 per cent.

Waiahole-Waikane Valleys

Farmers Protest at City Hall

Hall

By Buck Donham
Star-Bulletin Writer

More than 200 people, from infants to the very old, demonstrated at City Hall yesterday to protest rent increases and a planned development in Waiahole and Waikane valleys.

The demonstrators talked with Mayor Frank F. Fasi and City Council Chairman George Akahane.

And though the people got expressions of sympathy, they left with little promise of action to alleviate their plight.

The well-organized demonstration started at the home of Mrs. A. Lester Marks, a landlord who recently raised rents for farmers in the Windward Oahu valleys. Then it moved by bus to City Hall about 10:30 a.m.

THE DEMONSTRATORS, chanting and beating time, carried colorful hand-written signs with such messages as "We're Not Going Back to Feudalism," "Waiahole Is Good for Potato and Banana, Not Houses," "Save da Land, We Only Have So Much" and "Eviction to Where, the Moon?"

The demonstrators charged that the rent increases, some as high as 700 per cent, are aimed at forcing small farmers off the land.

They are also opposing plans by developer Joe Pao, who reportedly has bought the land, to put up a housing development in the area.

Pao has threatened that if he can't get the urban zoning needed for the development, he will evict the farmers and subdivide the land into two-acre lots, which is allowed under current agricultural zoning.

Farmers in the area have refused to accept new leases on the land and have united into a community association to

protect their interests.

FASI MET with the demonstrators on the front steps of City Hall.

He sympathized with their plight, he told them. "But there is nothing I can do as mayor."

Fasi said that if he had his way, the people would remain on the land and continue farming. But he said his and his administration's hands are tied.

He suggested that the demonstrators talk to the nine City councilmen. Fasi said they have the power to change the zoning of the area.

Asked what he would do if his rent were increased from 100 to 700 per cent, Fasi said. "See your lawyer."

ASKED IF he would go on record as opposing any subdivision that would

"kick these people out,"

Fasi said to applause:

"Yes, but that doesn't mean anything."

He then invited the demonstrators to sign his petition calling for a special session of the Legislature to reconsider pay raises for top State officials.

Later, a few of the demonstrators met Councilman Akahane inside City Hall.



SYMPATHETIC, BUT POWERLESS — Mayor Frank F. Fasi, meeting with demonstrators wanting to save Waiahole and Waikane valleys for agriculture, said he sympathizes with their plight. But he said he can't do anything about it. — Photo by John Tilden.

Frank Fasi
City Council

The State Government...
...local farmers...
...should help farmers...
...in the Waiahole and Waikane...
...Valleys...
...to the lands they are...
...using...
...president of the Hawaii...
...Farm Bureau...
...Nitta said...
...of the Farm Bureau...
...show the way of many...
...that these lands should be...
...kept in agriculture, and...
...those legitimately farm-...
...ing the lands there should...
...be encouraged to contin-...
...ue."

He said State subsidy assistance and low-interest farm loans could be used to help the farmers get title to their farms.

6-18-74

Farmers get backing of bureau

The Hawaii Farm Bureau Federation yesterday urged the State to take a hand in helping Waiahole and Waikane Valley farmers gain ownership of their land.

"We share the view of many that these lands should be kept in agriculture and that those who are legitimately farming the lands there should be encouraged to continue," said federation President Wallace Nitta.

Sixty per cent of the federation's 1,000 members are large and small farmers.

NITTA WAS responding to complaints by Waiahole and Waikane tenants that their landlord is trying to drive them from their farms by hiking rents.

"We believe the State and the financial community should, if legally possible, enter the picture and assist the farmers there in acquiring fee simple title to the land from the owners," Nitta said.

"This we believe could be achieved through State subsidy assistance and low-interest, long-term, farm loans.

"**WHILE WE** maintain that two acres is not normally sufficient to economically operate an agricultural enterprise, we believe minor crops are involved in this case and that those who are farming the valleys at present have acquired sufficient expertise to operate effectively.

"Our members therefore want to encourage whoever holds title to the land in question . . . to consider making these lands available for sale to those who have been using them for many years and who continue to occupy them."

The Waiahole and Waikane Valleys have figured in negotiations between developer Joseph Pao and Mrs. Elizabeth Loy McCandless Marks for purchase of certain of her properties.