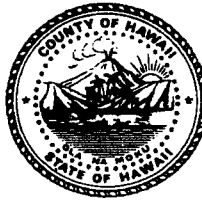


Harry Kim  
Mayor

Wil Okabe  
Managing Director

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**County of Hawai'i**  
**PLANNING DEPARTMENT**

Michael Yee  
Director

Duane Kanuha  
Deputy Director

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April 12, 2019

Dave Eadie  
Senior Vice-President  
Kennedy Wilson  
3200 Bristol Street, Suite 640  
Costa Mesa, CA 92626

Dear Mr. Eadie;

**SUBJECT:   Application:   Non-Significant Zoning Change (NZC-19-000027)**  
**Agent:           KENNEDY WILSON**  
**Applicant:     KW KONA INVESTORS, LLC**  
**Land Owner:   B.P. BISHOP ESTATE, TRUSTEES (owner)**  
**KW KONA INVESTORS, LLC (lessee)**  
**KA'ŪPŪLEHU DEVELOPMENTS (lessee)**  
**Tax Map Key: (3) 7-2-010:010 por. – KONA VILLAGE RESORT**  
**Ka'ūpūlehu, North Kona, Island of Hawai'i, Hawai'i**

This is to acknowledge receipt on March 15, 2019, of the Non-Significant Zoning Change Application and real property tax clearance. The affidavit of sign posting was received on April 8, 2019, and the affidavit of mailing notification on March 18, 2019.

The project area is located within the Special Management Area (SMA). The Planning Director has determined that the proposed action does not meet the definition of "development" under Planning Commission Rule 9-4(1) but is an exempt action under Planning Commission Rule 9-4(e)(2)(L), which states "The amendment of the General Plan, State Land Use Boundary amendments and changes of zone."

A previous non-significant zone change request (NZC-13-000019) dated May 23, 2013, approved the rezoning of 36,819 sq. ft. from OPEN to V-7. The current request consists of three (3) separate portions with a combined area of 6,733 sq. ft., the proposed change being OPEN to V-7. The subject parcel consists of 81.395 acres. The combined changes to the zoning areas are listed in the table as follows:

<b>ZONING</b>	<b>OPEN</b>	<b>V-7</b>
<b>Lot Size 81.395 Acs.</b>		
<b>NZC-13-000019</b>	<b>-36,819 sq. ft.</b>	<b>+36,819 sq. ft.</b>
<b>Proposed Change</b>	<b>-6,733 sq. ft.</b>	<b>+6,733 sq. ft.</b>
<b>TOTAL AREA</b>	<b>-43,552 sq. ft.</b>	<b>+43,552 sq. ft.</b>
<b>% TOTAL CHANGE</b>	<b>-1.2</b>	<b>+1.2</b>

With a parcel size of 81.395 acres and the requested total zoning change area of 43,552 sq. ft. or 0.99 acre, the change is approximately 1.2% of the parcel.

According to Section 25-2-45 of the Zoning Code regarding Non-Significant Zoning Changes, the Planning Director may administratively grant non-significant zoning changes. It must comply with the designations for the property set forth in the General Plan and any development plan adopted by ordinance, and must not result in an increase or decrease in any zoning designation affecting more than five percent of the area, or one acre, of any lot, whichever is less.

Upon review of the request, we have determined that it complies with the criteria set forth in Section 25-2-45(2) of Chapter 25, Hawai'i County Code, for determining non-significant zoning changes:

1. The area under review is in compliance with the General Plan. The County of Hawai'i General Plan (2005) became effective on February 9, 2005. The subject parcel is designated as "Resort Node," "Open," and "Conservation" on the Land Use Pattern Allocation Guide (LUPAG) Map.
2. The Kona Community Development Plan (CDP) was adopted by ordinance No. 08-131 with an effective date of September 25, 2008. The comprehensive post-tsunami rebuild of the Project to create an enhanced resort complex to meet changing market demands and guest expectations is consistent with the guiding principles of the Kona CDP. The Economic Development section of the Kona CDP recognizes that tourism (and visitor-related activities) is a major industry on the Island of Hawai'i that supports and maintains a vibrant economy in Kona which is essential for achieving the vision of the Kona CDP.
3. The adjustment of the zoning boundary will result in a small increase in the Resort-Hotel zoning district; however, the adjustment does not result in an increase or decrease in any zoning designation affecting more than five (5) percent of the area, or one (1) acre, of any lot.

Dave Eadie, Senior Vice-President  
Kennedy Wilson  
April 12, 2019  
Page 3

Based on the above, we hereby administratively grant the requested non-significant zoning change.

Should you have any questions, please feel free to contact Hans Santiago of this department.

Sincerely,



MICHAEL YEE  
Planning Director

HS:jaa

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cc w/app: Hawai'i County Council  
Real Property Tax Division-Kona  
Planning - West Hawai'i Office

cc letter only: G. Bailado, GIS Section  
Katherine Luga, Carlsmith Ball LLP  
NZC-13-000019