April 10, 1985

Mr. Larry J. Hansen Senior Vice President Transcontinental Development Co. 1001 Bishop Street, Suite 2610 Honolulu, HI 96813

Dear Mr. Hansen:

Planned Unit Development Application (PUD 84-4) Hyatt Regency Waikoloa Hotel

Pursuant to a public notice published in the newspaper on March 20, 1985, the notice requirement for the above-captioned application has been complied with.

Please be informed that upon careful review of the request against the guidelines for granting of a PUD application, the Planning Director has concluded that it is warranted based on the following findings:

The purpose of a Planned Unit Development (PUD) is to encourage comprehensive site-planning productive of optimum adaptation of development to the land by allowing diversification in relationship of various uses, buildings, structures, open spaces and yards, building heights and lot sizes in planned building groups while still insuring that the intent of the Zoning Code is observed.

One of the criteria for granting a PUD is that "Construction on the project shall begin within a reasonable period of time from the date of full approval and shall be completed within a reasonable period of time." The petitioner intends to proceed with the construction of the proposed hotel development immediately upon receipt of all governmental approval. Groundbreaking for the project is anticipated in

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mid-1985, with a construction period of 2-1/2 years. Conditions relative to the timely development of the project will also be included as conditions of approval.

The request also conforms to another criterion which states that "The proposed development substantial conforms to the General Plan."

The General Plan identifies the Waikoloa Beach Resort (WBR) area, which the property is a part of, as a Major Resort Area. A Major Resort Area is defined as a self-contained resort destination area which are provided with basic and support services and facilities for the needs of the entire development. Such facilities/services include hotel rooms, residential units, recreational facilities, sewer water, roads, etc. Within the WBR, there are presently the 548-room Sheraton Royal Waikoloa Hotel, an 18-hole championship golf course and golf facilities, public beach facilities and access to the shoreline at Anaehoomalu Bay, and related infrastructural improvements. Also under construction is the 114-unit Shores Condominium project. The areas requested to be rezoned for its intended purpose will be an integral part of the existing and future developments within the WBR.

The proposed development will constitute an environment of substantial desirability and stability, and results in an intensity of land utilization no higher than, and standards of open space at least or higher as permitted or as otherwise specified for the zoned district in which this development occurs. The proposed development will be an attractive activity center which will not have substantially adverse effect upon the adjacent and surrounding existing or other prospective development; thus, it should be in harmony with the character of the area. The proposed use of this particular lot will be in conformity with desirable performance standards as expressed in the General Plan and will constitute an efficient and well organized development. As such, it is determined that the development of the subject property for this intended purpose would be in character with the overall development scheme of the WBR area which is proposed to be developed as a "planned resort destination community."

The requested additional heights of the proposed hotel buildings conform to the computed maximum height limit for the project site. Under the PUD provisions for reviewing additional

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height, four components are applied to the specific site to determine a building envelope. Three of the components are view planes and the fourth component is an absolute maximum height. For this particular site, in applying the PUD components relative to height, the maximum height limit has been calculated as 70.0 feet above the average finished grade (Component C - backdrop) but at an elevation not to exceed 95 feet above sea level (Component A - mauka view plane). According to the petitioner's proposal, the structures will be 51 to 63.5 feet above grade and 87.17 feet above mean sea level; thus, the requested additional height of the proposed hotel buildings on this particular site is consistent with and is within the maximum computed height limit.

Further, from an overall visual standpoint, the additional height is not expected to have a significant effect. The additional height will allow more open space to be provided on the site which will contribute to an overall open character for the proposed development. The setback requirements under the PUD provisions assure that there is adequate open space between sites so that the overall development is not bulky in character. The setback requirements further assure that visual corridors both in the area under consideration and from off-site will be maintained. The locations of the proposed hotel buildings do meet the setback requirements of the PUD provision. Unlike the standard zoned district height limits, the maximum height limit under the PUD provisions are limited to the elevation above mean sea level as well as the height above finished grade. The standard height limit of the zoned district is only limited by the number of feet above grade and can result in more conspicuous height than when view planes are taken into consideration to determine allowable height. By allowing the additional computed height under the PUD provision, structural sprawl and ground coverage can be reduced and view planes are assured. Also the visual conspicuousness of the structures can be alleviated through landscape screening and the use of color to blend in with the environment.

The provision of a portion of the parking requirement off-site will further enhance the open character of the proposed development and will not be detrimental to the public welfare. By providing a central hotel parking facility to house a portion of the required parking, substantial area on the site can be devoted to open space and landscaping than would otherwise be available. Further, the additional area allows for design

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flexibility on the site. The petitioner also intends to provide transportation service between the central parking facility and the hotel site.

The petitioner is also requesting a deviation to allow the provision of 1,032 parking stalls in lieu of the minimum requirement of 1,921 stalls. While the deviation appears to be substantial, it should be noted that the parking requirement is calculated based on the number of hotel rooms as well as the gross floor area to be used for the various uses and activities. The reduction in the number of parking stalls results from those uses or activities, such as the banquest, food and beverages, retail shops and recreational facilities, which are provided basically to accommodate the guests of the hotel. The provision of parking for the guests are already calculated in the hotel room inventory. It is therefore felt that while the amount of deviation appears substantial, there still would be ample parking spaces to accommodate both guests and visitors to the overall hotel complex.

Finally, the reduction of the required loading spaces will not conflict with the purpose and intent of the Zoning Code. The Zoning Code requirement for loading spaces is to assure that there is adequate area for parking for large vehicles, such as buses and delivery trucks. The petitioner has shown that the required number of loading spaces can be reduced without creating congestion on the site. The reduced number of loading spaces for the proposed hotel is based on actual experience at comparable operational hotels and has proven to be adequate.

Based on the above, it is determined that the request conforms to the PUD provision of the Zoning Code and Rule 7 of the Planning Department's Rules of Practice and Procedure.

The requested PUD is approved subject to the following conditions:

- The petitioner, successors or assigns, shall be responsible for complying with all of the stated conditions of approval, including those of the accompanying change of zone and related permits.
- The permit shall not become effective until the accompanying change of zone is adopted.

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- 3. The proposed hotel buildings shall be limited to a maximum height limit of 70 feet above grade and 95 feet above mean sea level.
- 4. A maximum of 50 percent of the required number of parking spaces may be located off-site at a central hotel parking facility. The off-site parking spaces shall be available prior to the issuance of any occupying permit for the hotel development.
- All other applicable rules, regulations and requirements be complied with.
- Should any of the foregoing conditions not be met or substantially complied with in timely fashion, the permit shall be void.

Since the previously discussed PUD Permit is being approved, the Planning Director is hereby amending partial PUD Permit No. 13 by deleting sites 14 and 28x from the permit. Sites 14 and 28x are part of the Hyatt Regency Hotel project.

Should you have any questions regarding the above, please feel free to contact us.

Sincerely,

W ALBERT LONG LYMAN Planning Director

NH:1v

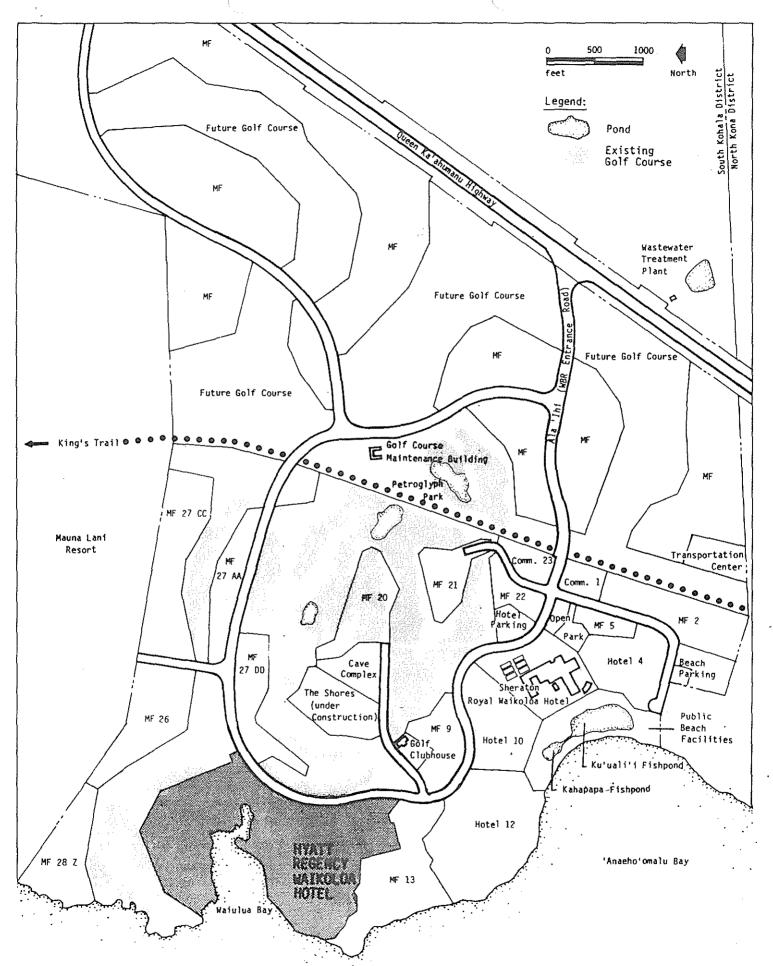
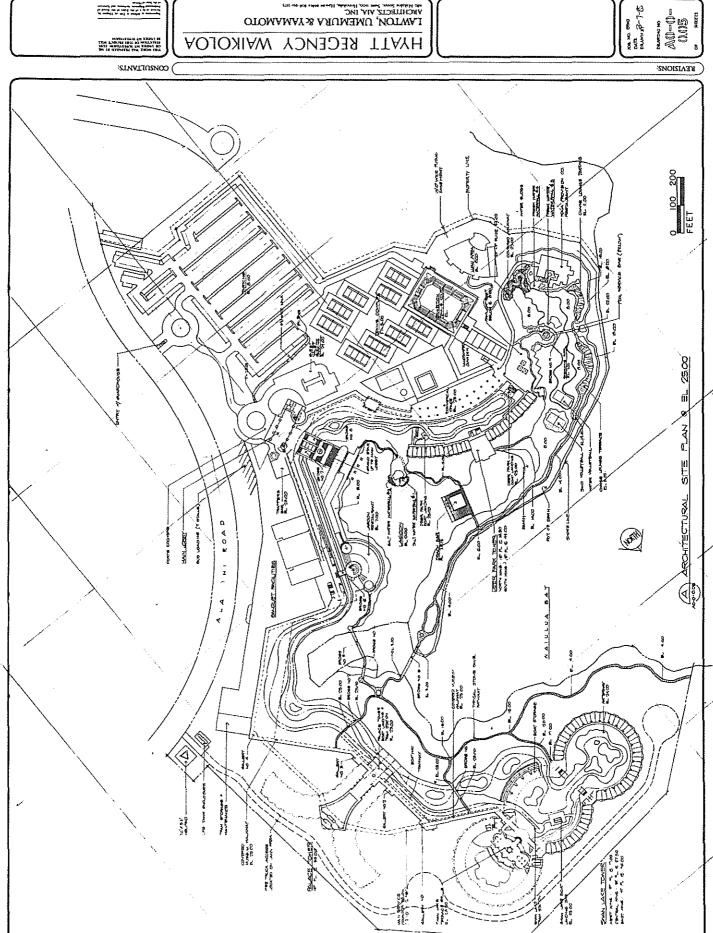


Figure 1. Project Location



Architectural Site Plan: Hyatt Regency Waikoloa Hotel Figure

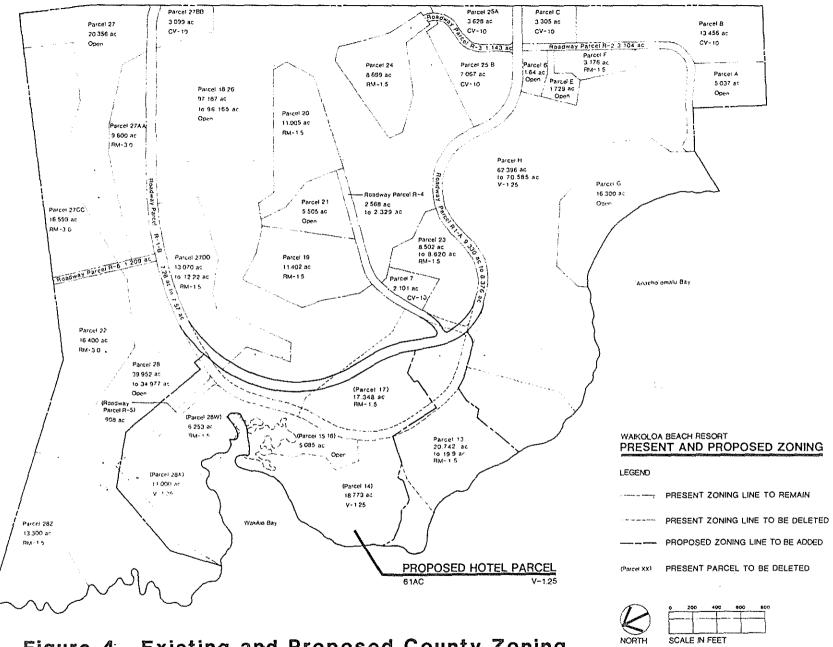


Figure 4. Existing and Proposed County Zoning