CERTIFIED MAIL

Mr. Guido Giacometti Keauhou-Kona Resort Company P. O. Box 459 Honolulu, Hawaii 96809

Dear Mr. Giacometti:

Special Management Area (SMA) Use Permit Application TMK: 7-8-10:4, 50 & 51; 7-8-14:4, 11 & 12

The Planning Commission at its duly held public hearing on October 27, 1982, voted to approve your application, SMA Use Permit No. 189, to allow the development of a restaurant, service station, 135-lot single family residential subdivision, subdivision of three (3) multiple family residential condominium sites, a 9-hole golf course addition, and associated improvements and infrastructure at Keauhou, North Kona, Hawaii.

Approval of this request is based on the following:

The request for a Special Management Area Use Permit to allow the 135 lot single family residential subdivision, the subdivision of 3 multiple residential lots, 9-hole golf course and associated use and improvements, a service station, a fire station lot, a free standing restaurant and necessary infrastructure on the subject properties and related improvements will not be violative of the objectives and policies stated in Chapter 205A nor with the intent of Rule No. 9 of the Planning Commission.

The purpose of Chapter 205A, HRS and Rule No. 9, is to preserve, protect and where possible, to restore the natural resources of the coastal zone areas. As a result, special controls on development within the area along the shoreline are necessary to avoid permanent loss of valuable resources and the foreclosure of management options.

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One of the criteria for approving developments within the Special Management Area is that the development is consistent with the General Plan, Zoning Code, and other applicable ordinances. The General Plan designates the Keauhou-Kona area as a major Resort Destination Area, which is defined as self contained Resort facilities. It is also identified by the General Plan's Land Use Pattern Allocation Guide Map as an "Alternate Urban Expansion Area". Alternate Urban Expansion areas must also be provided with basic and support facilities and services such as recreational facilities, water, sewer and roads. All of these essential services are or will be made available to the development site. In this regard, the proposed development will compliment the objectives of Rule No. 9 and the General Plan which encourages development of urban uses in areas serviced by existing infrastructure. The subject properties are situated within the urban form established for the Keauhou-Kona area as depicted on the LUPAG map.

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Moreover, the County Zoning for the subject properties were recently granted approval by the County Council, for which the proposed uses are permitted.

Another criteria in the review of developments in the Special Management Area is that "The development will not have any significant adverse environmental or ecological effect except as such adverse effect is minimized to the extent practicable and is clearly outweighed by public health, safety, or compelling public interest."

In reviewing the subject request, we have concluded that the proposed developments are not anticipated to have any substantial adverse environmental or ecological effects, other than what is normally associated with land use intensification by grading and construction activities. Although the proposed developments will change the existing character of the lend, sesthetic and pollution concerns can be minimized through conditions of approval or mitigated through existing rules and regulations. Land improvements may alter surface runoff patterns within the developments, however, any potential concern will be handled through imposition of drainage systems in accordance with the requirements of the Department of Public Works. Any potential run-off or discharge which could reach ocean waters is not likely, but if any occurs, they could be handled by the required on-site improvements. Further negative impacts on local water quality is not expected to occur from any soil erosion and run-off during site preparation and construction phases, because of the distance of the development site to the shoreline.

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> In addition, all of the proposed developments will be connected to the existing Waste Water Treatment Plant at Heeia. Kamehameha Investment Company is in the process of developing plans for the facilities expansion to increase the plants capacity to 2.0 mgd. and this will be completed simultaneously with the proposed developments in the mauka area. Because of these types of improvements, the environmental and ecological impacts will be minimized or mitigated to a point where it is anticipated that there should be no significant adverse impact on the coastal environment or ecosystem.

> The proposed development will also be designed utilizing the "Comprehensive Design Principles for Keauhou-Kona" manual which will assist in maintaining a consistent quality design so as to not have a significant adverse visual and structural impact in this area. All structures proposed within the development site must adhere to the specific design standards and criteria in the design manual and will be enforced in order to create unified and visually pleasing built environment. High quality landscaping will constitute a major element of the entire development.

> The visual character of the development site will undergo various alterations. These alterations include removal of certain existing vegetation, grading of the site, construction of various buildings and roadways, and landscaping. On almost all of the developable parcels within the project site, removal of low value vegetation and site grading will be required. Areas designated for unaltered open space will be left in their natural condition. These areas include those lands which are too steep for development, historic sites, and golf course rough. As a result of these environmental considerations in the land alteration and the proposed low-profile residential buildings, it is not anticipated that major view planes and corridors would be obstructed or diminished.

> The proposed developments will not interfere with important natural systems or publicly owned or used beaches or recreational areas.

> The properties are not known to contain any unique ecological systems, nor provide habitats for any endangered plant or animal species.

However, there are certain archaeological and historical sites and features that are considered significant enough to warrant preservation. These include two helau sites which are scheduled for preservation. Mr. Guido Giacometti Page 4 November 3, 1982

> Moreover, the petitioner is required by Ordinance No. 820 to prepare and submit a three-phase archaeological salvage program, which will address concerns for the remaining sites not scheduled for preservation. Therefore, the objectives and policies of Chapter 205A, HRS and the County's General Plans Historic sites element are being implemented.

> No adverse impacts on the air and water quality are expected to be generated by the proposed developments. The nature of the proposed developments and their incremental approach is such that no unusual air emissions are likely to be produced from the proposed construction activity. Air emissions generated during the construction phases can be mitigated by existing regulations.

> Based on the above, it has been determined that the proposed developments will not have any substantial adverse impacts on the surrounding area nor will its approval be inconsistent with the General Plan, Zoning and Subdivision Codes or contrary to the objectives and policies of Chapter 205A and the intent of Rule No. 9 of the Planning Commission.

Approval of this SMA Use Permit request is subject to the following conditions:

That the petitioner or authorized representative shall be responsible for complying with all of the stated conditions of approval.

That the consolidation and re-subdivision maps be submitted within one (1) year from the effective date of approval of the Special Management Area Use Permit.

That plans requiring "Plan Approval" be submitted within one (1) year from the effective date of approval of the Special Management Area Use Permit.

That construction of the proposed improvements shall commence within one (1) year after receipt of "Final Subdivision Approval" and "Final Plan Approval" and be completed within three (3) years thereafter.

 That the applicable conditions of Change of Zone Ordinance No. 820 shall also be complied with, including those relating to archaeological preservation and/or salvage.

That all requirements of the Department of Water Supply and the Department of Public Works shall be complied with.

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7. That all other applicable State and County rules, regulations and requirements shall be complied with.

Should any of the foregoing conditions not be met, the Special Management Area Use Permit shall be deemed automatically void. Please feel free to contact the Planning Department if there are any questions on this matter.

Sincerely,

ALPREDO ORITA Chairman, Planning Commission

cc: Mr. James Bell Department of Publc Works Department of Water Supply County Kona Office

lgv

bcc: Land Use Controls Division, Planning Dept.