

CERTIFIED MAIL

July 5, 1989

Joseph Spencer, III, Vice President
Kamehameha Investment Company
78-6831 Alii Drive, Suite 234
Kailua-Kona, HI 96740

Dear Mr. Spencer:

Amendments to SMA Use Permit No. 196
and Ordinance No. 820
Kamehameha Investment Corporation/Keauhou
Kona Resort Co.
TMK: 7-8-10:79

The Planning Commission at its duly held public hearing on June 27, 1989, voted to approve, with modifications, your request to amend certain conditions of SMA Use Permit No. 196 which initially allowed the development of a 164-unit condominium project and related improvements at the Keauhou-Kona Resort, Keauhou and Kahaluu, North Kona, Hawaii. The current permit is to allow the development of a 60-unit duplex project.

Approval of the request is based on the following:

The original Special Management Area (SMA) Use Permit, which was granted by the Planning Commission in 1983, allowed the development of a 164-unit condominium project in three increments. For financial and mortgage purposes, the increments were to be subdivided into three lots. However, the applicants now intend to construct a 60-unit duplex project within thirty structures. Since the original number of units proposed was drastically reduced from 164 to 60 units, the applicants intend to construct all of the units at one time. Consequently, there no longer is a need to subdivide the property into three lots. As a result of these new development plans, deletions and/or modifications to Condition Nos. 2, 3, 4, and 5 are

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necessitated. Since the applicants no longer intend to subdivide the property, Condition No. 2 pertaining to subdivision requirements is no longer required and, therefore, can be deleted. Condition No. 3 states that "Final Plan Approval for the entire development shall be secured within one year from the date of receipt of Final Subdivision Approval." Since the property is not proposed for subdivision, the reference to "Final Subdivision Approval" can be deleted from this condition.

With regard to Condition Nos. 4 and 5, reference is made to "increment(s)." Again, since there are no plans to develop the property in increments, Condition No. 4 would be modified rather than deleted since this condition also states that construction of the proposed development must be done within a specified period of time. However, as requested by the applicants, Condition No. 5, which refers to subsequent increments, can be deleted.

The requested amendments as proposed for modification by the Planning Department will be consistent with the objections, policies, and guidelines of Chapter 205-A, Hawaii Revised Statutes, and Rule 9 of the Planning Commission's Rules of Practice and Procedure pertaining to the Special Management Area (SMA).

Approval of this amendment is subject to the following conditions:

(Note: Bracketed material to be deleted. New material is underscored.)

1. The petitioner, its assigns, or successors shall be responsible for complying with the stated conditions of approval.
- [2. Final Subdivision Approval shall be secured within one year from the approval date of this time extension request.]
- [3.] 2. Final Plan Approval for the entire development shall be secured within one year from the effective date of [receipt of Final Subdivision Approval] this amendment.

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- [4.] 3. Construction [on the first increment] of the proposed development shall [be started] commence within one year from the date of Final Plan Approval and shall be completed within two years thereafter.
- [5.] Construction on the subsequent increments shall be initiated within one year from the date of completion of the prior increments and shall be completed within two years thereafter.]
- [6.] 4. Prior to the issuance of occupancy permit, the petitioner shall demonstrate to the State Department of Health and the Department of Public Works that there exists adequate sewage treatment capacity to handle the projected flows of that structure and all other developments which are to be tied into the sewage treatment system.
- [7.] 5. Should any unanticipated archaeological or historic sites be discovered during grading or construction, work shall immediately cease, and the Planning Department shall be notified.
- [8.] 6. All other rules, regulations, and requirements shall be complied with.
7. An annual progress report shall be submitted to the Planning Department prior to the anniversary date of this amendment. The report shall address the status of the development and the compliance with the conditions of approval. This condition shall remain in effect until all of the conditions of approval have been complied with, and the Planning Department acknowledges that further reports are not required.
- [9.] 8. Should [the Planning Department determine that] any of the foregoing conditions [have] not been met, [the Special Management Area Use Permit shall be void.] or substantially complied with in a timely fashion, the Planning Director shall initiate procedures to revoke the permit.

This approval does not, however, sanction the specific plans submitted with the application as they may be subject to change given specific code and regulatory requirements of the affected agencies.

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The request to amend Condition (C)(2) of Ordinance No. 820 was deferred to a later date per the applicant's request.

Please feel free to contact the Planning Department if there are any questions on this matter.

Sincerely,



Gary Mizuno
Chairman, Planning Commission

xc: Mr. James Leonard/PBR Hawaii
Department of Public Works
Department of Water Supply
County Real Property Tax Division
Planning Office - Kona
DBED, CZM Program w/background
DLNR/Honolulu

bcc: Plan Approval Section

CERTIFIED MAIL

July 19, 1983

Mr. Guido Giacometti
Keauhou-Kona Resort Co.
567 South King St., Suite 617
Honolulu, HI 96813

Dear Mr. Giacometti:

Special Management Area Use Permit Application
and Planned Development Permit Application
TMK: 7-8-10:50 (portion)

The Planning Commission at its duly held public hearing on July 14, 1983, voted to approve your applications, Special Management Area Use Permit No. 196, to allow the development of a 164-unit condominium project and related improvements, including a 3-lot subdivision at Keauhou, North Kona, Hawaii.

Approval of this request is based on the following:

The proposed development is not anticipated to have any substantial adverse environmental or ecological effects. The property is not known to contain any unique ecological systems, nor provide unique habitats for any endangered plants or animal species.

It is the applicant's intent to retain and preserve significant archaeological sites and to assist, where appropriate, the restoration of such features to their original condition for the purpose of public education and cultural preservation. Many of the significant archaeological sites in the area are already incorporated in the resort's master land use plan as historic preserves or parks.

Although no archaeological site will be affected by the proposed development, the applicant is preparing an archaeological/historic interpretive management plan for the

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750-acre mauka land which includes the project site. The plan will provide for preservation of sites recommended by the ARCH study, establish five public accesses and a maximum of 35 public parking stalls to the preserves, initiate a restoration program for the significant sites and address the treatment and integration of the Holua Slide relative to the Keauhou resort. Further, an archaeological salvage research plan will be developed and implemented prior to development of the sites not included in any preservation areas. These improvements and research are required as conditions of approval of Hawaii County Zoning Ordinance No. 820 for the Keauhou-Kona property.

There are two heiau sites just outside of the project site. These valuable sites will be preserved by their inclusion in a permanent open space within the future golf course expansion. Site 4673, which is located immediately beyond the southern boundary line of the project site and near the proposed collector road, will be provided with a pedestrian access easement and vehicular parking. The parking will have 10 vehicular stalls and will also serve as a lookout point. The remaining sites will be studied and salvaged or removed based on the guidelines established in the applicant's forthcoming archaeological salvage research plan which is subject to approval by the County.

The Keauhou-Kona Resort Company assures that all prehistoric burials affected or may be affected by the development will be reinterred, in accordance with Chapter 338-25.5, HRS. Further, that should any grading and/or grubbing uncover any anticipated sites on the property, work will cease immediately and will not resume until the Planning Department has been notified and grants approval. Finally, the applicant will attach covenants to property lease or sales documents, where applicable, noting possible constraints to development due to existing historical remains within the property.

The development of the subject property is not expected to have any adverse effects to the coastal environment due, in part, to its location 3,700 feet inland from the shoreline. This distance, the sloping terrain, and the elevation difference with the Kuakini Highway is expected to eliminate possible visual obstruction of coastal views from the State Highway. While the Holualoa-Papa Highway is planned to be aligned below the existing Kuakini Highway there will still be sufficient differences in elevation between the highway and the subject site which should eliminate the potential of obstructing views from the highway.

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The proposed development would not generate any significant long-term adverse impact on the area's ambient air quality. Mass grading that would be required for the project's site preparation would result in a temporary increase in atmospheric particulate concentrations. The increase would be at a small scale and dust control measures by the contractor will be implemented. Once the project is completed, the additional grassed area and landscaping within the development would produce a long-term decrease in airborne particulate levels.

The proposed development would not create any significant impact on community facilities such as educational institutions, parks/recreational facilities and medical/health care facilities. Since most of the residents in the new development are expected to be part-time residents, vacationers, second-home owners and retirees, only a small number of school-aged children would be living in the proposed residential development. Further, the present variety and abundance of recreational facilities in Kona should be adequate to meet long-term future demands for recreational needs. Medical and other public facilities appear in adequate supply to meet the existing and future demands of the community.

There is a potential for overloading the existing sewage treatment facilities should the occupancy of the existing units in the Keauhou Resort Area increase and the proposed condominium project be completed and fully occupied prior to the completion of the sewage treatment capacity expansion. To prevent such overloading a proposed condition of approval is that prior to the occupancy of the structures approval from the State Department of Health and the Department of Public Works will be required. It is anticipated that the expansion of the sewage treatment facilities will be developed commensurate with the sewage requirements derived from the proposed development.

The proposed development is consistent with the General Plan and Zoning Code and other applicable ordinances. The General Plan Land Use Pattern Allocation Guide (LUPAG) Map designates the subject area as Extensive Agriculture/Alternate Urban Expansion within which condominium development may be permitted. Further, the zoning applicable to the subject site is Multiple Residential-3,500 square feet (RM-.5) which allows a maximum of 192 units. The petitioner's proposal for 164 condominium units and two caretakers' quarters is well within the density limit. Further, all site and building design requirements of the Zoning Code can be complied with.

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Based on the above it is concluded that the subject request is consistent with the objectives, policies and guidelines of Rule 9 of the Planning Commission and Chapter 205-A, Hawaii Revised Statutes.

Approval of the special management area permit request is subject to the following conditions:

1. The petitioner, its assigns or successors, shall be responsible for complying with the stated conditions of approval.
2. Final Plan Approval for the entire development shall be secured within one year from the effective date of the Special Management Area (SMA) Use Permit.
3. Construction on the first increment shall be started within one year from the date of Final Plan Approval and shall be completed within two years thereafter.
4. Construction on the subsequent increments shall be initiated within one year from the date of completion of the prior increments and shall be completed within two years thereafter.
5. Prior to the issuance of occupancy permits the petitioner shall demonstrate to the State Department of Health and the Department of Public Works that there exists adequate sewage treatment capacity to handle the projected flows of that structure and all other developments which are to be tied into the sewage treatment system.
6. Should any unanticipated archaeological or historic sites be discovered during grading or construction work shall immediately cease and the Planning Department shall be notified.
7. All other 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 void.

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For your information, a Planned Development Permit is no longer required for a hotel or condominium project. As such, the Planned Development Permit application is not required.

Please feel free to contact the Planning Department if there are any questions on this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Clyde Imada". The signature is written in dark ink and is positioned above the typed name and title.

Clyde Imada
Chairman, Planning Commission

cc: Glenn Koyama
Chief Engineer, Department of Public Works
Building Division, Department of Public Works
Department of Water Supply
County Kona Office

bcc: Plan Approval Section