CERTIFIED MAIL

August 21, 1986

Mr. Harrison G. Fagg Harrison G. Fagg & Associates 222 North 32nd Street Billings, Montana 59101

Dear Mr. Fagg:

Special Management Area Use Permit Application Applicant: California First Bank TMK: 7-8-10:58 & 69

The Planning Commission at its duly held public hearing on August 13, 1986, voted to approve the application, Special Management Area Use Permit No. 243, to allow the development of a 405-unit condominium project and related improvements at Keauhou-Kona, North Kona, Hawaii.

Approval of this request is based on the following:

The proposed project is consistent with the Special Management Area objectives, policies, and guidelines. These were established to provide guidance for the preservation, protection and development of the coastal resources of the State and County. The guidelines identify several areas of management concerns including recreational, historic, and scenic and open space resources, coastal ecosystems, economic uses, and coastal hazards.

The proposed development will not interfere with any publicly owned or used recreational areas. The individual condominium units will be required to be set back far enough from the existing golf course fairways so as to prevent any interference for the golfers, and to prevent the possibility of damage to the buildings or danger to the occupants from errant golf balls. Futhermore, since the proposed project is more than 150 feet from the shoreline, it will in no way impede public access to the recreational use of the ocean or shore.

Sites of historic significance have been identified on the site of the proposed project. The two clusters of petroglyphs identified will be required to be preserved and incorporated into the landscaping of the development through conditions to Mr. Harrison G. Fagg August 21, 1986 Page 2

> this permit. Furthermore, an intensive archaeological survey will be required to thoroughly analyze the entire project site. Any other sites of historic significance found through this survey will be addressed at the time of plan approval.

The proposed construction will be of one and two story structures that should not obstruct the view plane from lands mauka of the project. Landscaping, appropriate siting and design of the buildings will be reviewed to assure the minimization of adverse visual impacts.

Since the subject site is not situated along the shoreline, and is separated from the shoreline by the golf course fairways, it is felt that the proposed project will not have an adverse impact on the coastal ecosystems. There are no endangered species of plants or birds known to exist on the subject parcel. While the endangered Hawaiian Hoary Bat has been sighted on the parcel, it is a highly mobile species which can readily relocate. The project is not expected to have an adverse impact on the bat.

The proposed project will have a positive impact on the economic use of the area. A substantial number of construction jobs will be created by the project, and tax revenues for the subject property will be greatly increased.

The subject property is classified as zone C on the FIRM map and so is not subject to tsunami inundation.

The proposed project is consistent with the General Plan which identifies the Keauhou Area as a self-contained major resort area, and encourages the development of multiple family units in areas zoned for such use and serviced by existing facilities. The project is also consistent with the Kona Regional Plan which designates the area for resort condominiums and with the County Zoning Code which designates the area as Multiple Family Residential. The tennis complex is a permitted use within the RM zone when it is considered accessory to the overall development. The restaurant is permitted as a subordinate commercial or personal service if it displays no signs and has no direct access from any street frontage.

Based on the foregoing, it is determined that the granting of the request will not create a significant adverse effect on the environment and, therefore, will not be contrary to the purpose and intent of Chapter 205-A, HRS, relating to Coastal Zone Management; Rule 9 of the Planning Commission relating to the Special Management Area; the Hawaii County Zoning Code; or the General Plan. Mr. Harrison G. Fagg August 21, 1986 Page 3

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

The petitioners, successors, or assigns shall be responsible for complying with all of the stated conditions of approval.

Plans for the first phase of the proposed development including a landscaping and parking plan shall be submitted for Plan Approval within one year from the effective date of approval of the SMA Use Permit.

Construction of the first phase shall commence within one (1) year from the date of receipt of final plan approval and be completed within two (2) years thereafter.

Plans for the second phase of the proposed development including a landscaping and parking plan shall be submitted for Plan Approval within one year from the date of completion of Phase I. A water commitment for the second phase shall be secured from the Department of Water Supply before Final Plan Approval for Phase II is granted.

Construction of the second phase shall commence within one (1) year from the date of receipt of final Plan Approval and be completed within two (2) years thereafter.

An intensive archaeological survey shall be conducted to analyze and record any findings of historical sites and archaeological remains found on the property, and that prior to receipt of final plan approval, a report of the findings shall be submitted to the Planning Department. Should any buffer zones be required around the historical sites, that determination will be made at the time of plan approval. No grading or grubbing permit shall be issued until such a report is filed. Further, should any other archaeological remains or historical sites be found during land preparation activities, work within the affected area shall immediately cease and the petitioners/representatives shall immediately notify the Planning Department. Work shall not be resumed in the affected area until a review and clearance is obtained from the Planning Department.

The the two previously identified clusters of petroglyphs be protected and incorporated into the landscaping of the development. A buffer zone shall be established around each site meeting with the approval of the Planning Department. Mr. Farrison G. Fagg August 21, 1986 Page 4

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The method of sewage disposal shall meet with the requirements and approval of the State Department of Health. Only one (1) access be provided from Kaleopapa Road. The improvements to the intersection shall meet with the approval of the DPW.

- 10. A drainage system meeting with DFW requirements shall be installed.
- 11. No buildings or recreational activity areas (ie. swimming pools) may be sited within a minimum 100 feet of the property lines abutting the golf course, unless the applicant demonstrates to the satisfaction of the Planning Department that conditions allow a lesser setback. These setbacks shall be determined at the time of plan approval.
- 12. In the design and review of the proposed development plans at the time of plan approval, due consideration for visual impact shall be required. This consideration shall entail the minimization of adverse visual impacts through the appropriate siting, height, bulk, color schemes, and landscaping. Further, the siting and development of the property shall be in compliance with the guidelines outlined in the report entitled <u>Comprehensive Design</u> <u>Principles for Keauhou Kona</u>.
- 13. The tennis court complex shall be landscaped in a manner to minimize the visual impact from the site to the northeast. Night tennis activities shall be prohibited after 10:00 p.m.
- 14. The restaurant shall have no visible signs, have no direct access from any street frontage, and be used solely for the owners/residents and their guests.
- 15. Should the tennis stadium complex be used for commercial purposes, a Use Permit be obtained from the Planning Commission.
- 16. That all other applicable rules, regulations and requirements, including those of the Department of Water Supply, the Department of Public Works, and the Fire Department shall be complied with.

17. The Planning Director may administratively grant extensions to the foregoing conditions. Further, should the Director determine that any of the conditions have not been met or substantially complied with in a timely fashion, the Director shall initiate procedures to nullify the permit. Mr. Harrison G. Fagg August 21, 1986 Page 5

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

Sincerely,

Barbara a Koj

Barbara A. Koi Chairperson, Planning Commission

cc: Dan Cromwell California First Bank DPED, CZM Program w/background Department of Public Works Department of Water Supply County Real Property Tax Division Hawaii County Services, Deputy Managing Director's Office DLNR

bcc: Plan Approval Section