

CERTIFIED MAIL

April 1, 1991

Mr. Glen T. Koyama
Belt Collins and Associates
680 Ala Moana Boulevard, Suite 200
Honolulu, HI 96813

Dear Mr. Koyama:

Special Management Area Use Permit Application Applicant: Royal Hawaiian Shopping Center, Inc.

Tax Map Key 7-8-10:40, 86, 87 & 88

The Planning Commission at its duly held public hearing on March 14, 1991, voted to approve your application, Special Management Area (SMA) Use Permit No. 313, to allow the development of a commercial complex and related improvements on 13.6+ acres of land (Phase II of the Keauhou Shopping Village) and to allow certain upgrade improvements within Phase I (9.3+ acres) of the Keauhou Shopping Village. The project site is situated adjacent and to the north of the existing Keauhou Shopping Village (Phase I), Kahalu'u-Keauhou lst, North Kona, Hawaii.

Approval of this request is based on the following:

The proposed development is consistent with the objectives and policies as provided by Chapter 205-A, Hawaii Revised Statutes (HRS) and Special Management Area guidelines contained in Rule No. 9 of the Planning Commission Rules of Practice and Procedure. The purpose of Chapter 205-A, HRS, is to preserve, protect, and, where possible, to restore the natural resources of the coastal zone areas. 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.

The proposal is for the upgrading of phase I improvements and the construction of phase II of the Keauhou Shopping Village. The development is not anticipated to have any significant adverse environmental or ecological effect. The

site has already been graded and/or developed in compliance with conditions of prior SMA Use Permits. Due to previous grading, the site is not an identified habitat for any rare or endangered species of plant or animal.

One of the objectives of the Special Management Area regulations is to "Protect, preserve, and, where desirable, restore those natural and man-made historic and pre-historic resources in the coastal zone management area that are significant in Hawaiian and American history and culture." There are no archaeological sites remaining on the property. However, the development of the adjoining 'Ohi'a Cave complex has been planned as part of the overall development of the Keauhou area. The close proximity of the proposed shopping center expansion to the 'Ohi'a Cave Historic Preserve necessitates concurrent site planning and development. Pursuant to the requirements of Change of Zone Ordinance No. 820, a "Cultural Resource Management Plan" for the Keauhou area was submitted by Paul Rosendahl, Ph.D. in 1985. The plan states: "Access and five designated parking spaces will be provided to the 'Ohi'a Cave area and Site 4670 through the Phase II Keauhou Shopping Village" and "Construction of public parking facilities for each site will take place at the time that neighboring areas are improved." It is, therefore, recommended that a preservation plan be prepared and implemented in conjunction with the expansion of the adjacent shopping center. Preparation and execution of a preservation plan will prevent inadvertent damage to the historic preserve from construction activities and will evaluate visual impacts of the shopping center. A preservation plan should also address access and interpretive needs, such as paths, signage, and restricted The historic preservation plan should be approved by the Planning Director in consultation with the Department of Land and Natural Resources prior to submittal of plans for Final Plan Approval. Although the 'Ohi'a Cave complex has been surveyed and found to be outside of the area proposed for development, it is recommended that an archaeologist be present to monitor excavation activities for burials, caves, lava tubes, or archaeological remains. With the implementation of a preservation plan and archaeological monitoring during construction, it is determined that the project will not affect historic resources on the property or in the region.

Viewplanes will not be negatively impacted by the proposed development, provided a maximum 30-foot height limit is

> maintained. The proposed 50-foot height limit is not consistent with the Special Management Area policy which states "Insure that new developments are compatible with their visual environment by designing and locating such developments to minimize the alteration of natural landforms and existing public views to and along the shoreline." The project site is located more than 600 feet below the elevation of Kuakini Highway at a distance of 4,000 feet. The site is located mauka of Alii Therefore, coastal viewplanes from those roadways will not be affected. The proposed 50-foot structures will impact views to the shoreline from Kamehameha III Road. The grade of the site is such that the roadway is +50 feet above the elevation of the building site grade. Building heights of 50 feet would obscure viewplanes to the shoreline from Kamehameha III Road. The 50-foot height limit is not in accordance with Change of Zone Ordinance No. 820 which requires that development be in compliance with the guidelines contained in the Comprehensive Design Principles for Keauhou Kona, dated December 1980. With regard to this specific site, the Comprehensive Design Principles states: "Buildings will be low-rise; site planning will reflect the rugged topography of the site" [emphasis added]. The Comprehensive Design Principles recommends in regard to building heights: "In addition to the underlying zoning regulations, more specific requirements may be imposed upon development sites adjacent to permanent open space areas and historic sites" [emphasis added]. An increased building height would not be compatible with development of the adjacent historic preserve. It is, therefore, recommended that building heights be limited to 30 feet, which is the maximum height limit in the CV zoned district.

> The granting of the proposed use will not unreasonably burden public agencies to provide roads, sewer, water, drainage, schools, police and fire protection and other related infrastructure. All necessary services are now or can be made available to the property. The applicant's traffic study recommended a schedule of improvements to be completed as traffic increases and in conjunction with the construction of the Alii Highway. The Department of Public Works has recommended the following improvements to be completed with this development: a) widening of the roadway between the Alii Drive access to the shopping center and Kamehameha III Road, including construction of curbs, gutters, and sidewalks; b) signalization at mauka and makai access roads; c) signalization of the Kamehameha III Road-Alii Drive intersection; and d) improve

Kamehameha III Road fronting the property to an 80-foot road section with curbs, gutters, and sidewalks. The Department of Public Works states that, since construction of Alii Highway may not occur in the near future, related traffic improvements should not be delayed. Furthermore, the preliminary design of the Alii Highway ends at the makai access driveway and would not affect improvements between the driveway and the Kamehameha III Road-Alii Drive intersection. It is recommended that a condition of approval be included requiring that the applicant comply with requirements of the Department of Public Works regarding roadway and traffic improvements.

A condition of approval of SMA Use Permit No. 184, which permitted development of phase I of the shopping center required that the applicant develop a pedestrian master plan prior to submittal of plans for phase II. A pedestrian plan has not been submitted. In light of the development of residential lands in the vicinity of the center, safe pedestrian access approaching the development as well as within the center must be assured. It is therefore recommended that the pedestrian plan required by SMA Use Permit No. 184 be approved by the Planning Director in consultation with the Department of Public Works prior to submittal of plans for Final Plan Approval. The plan should include curbs, gutter, and sidewalks fronting the property along Kamehameha III Road and Alii Drive as recommended by the Department of Public Works.

The project will not affect beneficial uses of the environment. The site is located mauka of Alii Drive more than 1,500 feet from the shoreline and will not interfere with any beach processes, shoreline access, or use of the shoreline.

Sewage from the shopping center will be processed at the secondary treatment facility at Heeia. The site is not affected by any natural drainage course or water feature affecting coastal waters. On-site drainage systems will be installed to dispose of surface runoff. Therefore, no negative impact on the quality of coastal ecosystems and ocean waters is anticipated.

The project site is not within an environmentally sensitive area such as tsunami inundation area or flood zone. The site is at approximately 125-foot elevation and 1,500 feet from the shoreline.

Ambient noise levels would be affected by the short term construction activities and by vehicular traffic generated by

the development. Short-term impacts may be controlled through the use of noise control measures such as muffler devices on diesel powered equipment, limiting the number of noise-generating equipment operating at the same time, and limiting operations to daylight hours. Long-term noise impacts are not expected to be significantly higher than existing levels.

Short-term air quality impact will result from dust and vehicle emissions produced from the final site preparation, building construction and movement of construction vehicles. Major grading work has already been completed and, therefore, will minimize future impacts of dust and noise from grading activity. Dust control measures may be implemented to mitigate impacts. The long-term effects of electrical power generation and motor vehicle emissions are expected to have a minor impact on air quality. However, the strict emission control standards required of new vehicles should assist in reducing pollutants.

The proposed use will not negatively affect the economic or social welfare of the community or State. The shopping center expansion will provide economic opportunities for local residents and will provide provide goods and services to the meet the needs of residents and visitors.

The request will be consistent with the General Plan and the Zoning Code, provided conditions are imposed relating to historic preservation, height limits, and traffic improvements. The General Plan's Medium Density Urban designation and the Village Commercial zoning designation allow for the proposed commercial development.

Based on the above considerations, it is determined that the development of a commercial complex with related improvements is consistent with the objectives and policies contained in Chapter 205-A, HRS, the County General Plan, the Zoning Code, and Change of Zone Ordinance No. 820.

Approval of this request is subject to the following conditions:

- 1. The applicant, its successors or assigns shall be responsible for complying with all stated conditions of approval.
- 2. Final Plan Approval for phase I improvements and phase II development shall be secured from the Planning Department

within one year from the effective date of this permit. To assure adequate time for plan approval review and in accordance with Chapter 25-244 (Zoning Code), plans shall be submitted a minimum of forty-five days prior to the date by which plan approval must be secured. Plans shall identify structures, landscaping, parking stalls, and related improvements associated with the development. Further, plans shall include improvements required by the approved historic preservation plan and pedestrian plan. Building heights shall not exceed 30 feet. Parking shall comply with the requirements of Chapter 25 (Zoning Code). No parking variance from the Code shall be applied for or granted.

- 3. Construction of the shopping complex and related improvements shall commence within one year from the date of receipt of Final Plan Approval and shall be completed within two years thereafter.
- 4. Roadway and traffic improvements shall meet with the approval of the Department of Public Works. The following intersections shall be signalized and channelized: (1) two existing Shopping Village driveways at Kamehameha III Road and Alii Drive; and (2) Alii Drive-Kamehameha III Road intersection. These improvements shall be completed prior to the issuance of a certificate of occupancy.
- Design Principles of Keauhou Kona shall be approved by the Planning Director in consultation with the Department of Public Works prior to the submittal of plans for Final Plan Approval. The plan shall include, but not be limited to, pedestrian walkways within the development and curbs, gutters, and sidewalks along the roadway frontages of the subject properties. These improvements shall be completed prior to issuance of a certificate of occupancy for any portion of the commercial development.
- 6. A historic preservation plan for development of the 'Ohi'a Cave Historic Preserve shall be approved by the Director in consultation with the Department of Land and Natural Resources prior to submittal of plans for Final Plan Approval. The plan shall include a description of sites on the preserve in written and map form, and shall address access, pathways, public parking, interpretive signage,

viewplanes, and park management. Improvements associated with the 'Ohi'a Cave Historic Preserve shall be completed prior to issuance of a certificate of occupancy for any portion of the commercial development.

- 7. A qualified archaeologist shall be onsite to monitor excavation activities.
- 8. Should any unidentified sites or remains such as artifacts, shell, bone, or charcoal deposits, human burials, rock or coral alignments, pavings or walks be encountered, work in the immediate area shall cease and the Planning Department shall be immediately notified. Subsequent work shall proceed upon an archaeological clearance from the Planning Department when it finds that sufficient mitigative measures have been taken.
- 9. Comply with all other laws, rules, regulations and requirements, including Change of Zone Ordinance No. 820.
- 10. An annual progress report shall be submitted to the Planning Director prior to the anniversary date of the approval of the permit. The report shall include, but not be limited to, the status of the development and to what extent the conditions of approval are being complied with. This condition shall remain in effect until all of the conditions of approval have been complied and the Planning Director acknowledges that further reports are not required.
- 11. An extension of time for the performance of conditions within the permit may be granted by the Planning Director upon the following circumstances: a) the non-performance is the result of conditions that could not have been foreseen or are beyond the control of the applicant, successors or assigns, and that are not the result of their fault or negligence; b) granting of the time extension would not be contrary to the general plan or zoning code; c) granting of the time extension would not be contrary to the original reasons for the granting of the permit; and d) the time extension granted shall be for a period not to exceed the period originally granted for performance (i.e., a condition to be performed within one year may be extended for up to one additional year). Further, should any of the conditions not be met or substantially complied with in a timely fashion, the 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.

Please be further advised that the height restriction set forth in Condition No. 2 renders the Planned Unit Development application submitted to the Planning Department moot. Therefore, we are closing the file on PUD Application (90-4).

If you should have any questions on this matter, please feel free to contact the Planning Department at 961-8288.

Sincerely,

Mud 4 Sugmot

Fred Y. Fujimoto Chairman, Planning Commission

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xc: Mr. Louis Kau
Mr. Robert Herkes
Department of Public Works
Department of Water Supply
County Real Property Tax Division
Police Department
West Hawaii Office
DLNR
OHA

bcc: Plan Approval Section
PUD (90-4) withdrawn