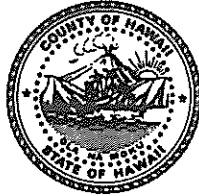


Stephen K. Yamashiro
Mayor



County of Hawaii

PLANNING COMMISSION

25 Aupuni Street, Room 109 • Hilo, Hawaii 96720-4252
(808) 961-8288 • Fax (808) 961-9615

CERTIFIED MAIL
Z 095 323 563

March 21, 1996

Mr. Sidney Fuke
100 Pauahi Street, Suite 212
Hilo, HI 96720

Dear Mr. Fuke:

Special Management Area Use Permit Application (SMA 96-2)
Applicant: Otaka, Inc. dba Alii Country Club
Request: Proposed Golf Clubhouse and Related Improvements
Tax Map Key: 7-8-10:Portion of 51

The Planning Commission at its duly held public hearing on March 14, 1996, voted to approve the above-referenced application. Special Management Area Use (SMA) Permit No. 361 is hereby issued to allow a proposed golf clubhouse and related improvements. The project site is located at the existing Alii Country Club golf course, on the mauka side of Alii Highway and the Kona Country Club golf course in the Keauhou Resort area, Keauhou, North Kona, Hawaii.

Approval of this request is based on the following:

The purpose of Chapter 205A, Hawaii Revised Statutes (HRS), and Special Management Area Rules and Regulations of the County of Hawaii is to preserve, protect and, where possible, to restore the natural resources of the coastal zone areas. Therefore, special controls on development within an area along the shoreline are necessary to avoid permanent loss of valuable resources and the foreclosure of management options.

The development will not have any significant adverse environmental or ecological effect, except as such adverse effect is minimized to the extent practicable and clearly outweighed by public health, safety or compelling public interest. Such adverse effect shall include, but not be limited to, the potential cumulative impact of individual developments, each one of which taken in itself might not have a substantial adverse effect and elimination of planning options. The proposed development will consist of a golf clubhouse and other related facilities. The proposed development is located mauka of Alii Drive. Therefore, there would be no adverse impact to recreational and visual resources, access to and along the shoreline nor coastal ecosystems. The property has already been modified by the construction of the golf course. Thus, prospects of rare or endangered plant life appear to be remote. The proposed development would not impact the immediate adjacent properties as the subject property is surrounded by the Kona Country Club golf course.

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The proposed development is consistent with the objectives and policies as provided by Chapter 205A, HRS, and Special Management Area guidelines contained in Rule No. 9 of the Planning Commission Rules of Practice and Procedure. According to the applicant, the proposed project will be hooked up to the County and Kamehameha Investment Corporation's wastewater system located at Heeia. Any potential runoff or discharge which could reach ocean waters can be handled by on-site improvements. Any impacts from soil erosion and runoff during site preparation and construction phases can be adequately mitigated through compliance with existing regulations. With these precautionary measures in place, the proposed development is not anticipated to have any substantial adverse effects on the coastal resources or environment. Likewise, the potential of finding rare or endangered animal life does not seem great.

An intensive archaeological survey was conducted by Cultural Surveys Hawaii. A total of 63 archaeological features were studied, and a number were test excavated. A map used for the initial SMA application identified the location of these features. In the area of the proposed project, no features were identified. All associated archaeological requirements as stipulated in the SMA Permit were complied with in conjunction with the issuance of permits and construction phase for the 9-hole project. A Mitigation Plan was prepared and approved by the State Department of Land and Natural Resources Historic Sites Division before the construction began. According to the applicant the preservation of the Holua Slide and the 100-foot setback was and will continue to be observed. A condition of approval will be included stating that the applicant resolve the siting of the clubhouse relative to the Holua Slide.

The proposed development is consistent with the County General Plan and Zoning Code. The General Plan designates the area as a major resort development area. According to the General Plan, a major resort is defined as a self-contained resort destination area which is provided with basic and support facilities for the needs of the entire development. The proposed project is a recreational amenity that fulfills the self-contained resort concept. The proposed project also conforms to the General Plan Land Use Pattern Allocation Guide (LUPAG) Map, which designates this area as Open and Alternate Urban Expansion. Under both designations, the proposed use would be consistent with this designation. The proposed use will compliment the following goals, policies and standards of the Land Use, Open Space and Resort Elements of the General Plan:

- o Designate and allocate land uses in appropriate proportions and mix and in keeping with the social, cultural and physical environments of the County.
- o The County shall encourage the development and maintenance of communities meeting the needs of its residents in balance with the physical and social environment.
- o Provide and protect open space for the social, environmental, and economic well-being of the County of Hawaii and its residents.
- o Protect designated natural areas.
- o Maintain an orderly development of the visitor industry.

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- o Provide for resort development that maximizes conveniences to its users and optimizes the benefits derived by the residents of the County.
- o Ensure that resort developments maintain the social, economic, and physical environments of Hawaii and its people.

The proposed use would also conform to the following goals and policies of the Recreational Element:

- o Provide a wide variety of recreational opportunities for the residents and visitors of the County.
- o Maintain the natural beauty of recreation areas.
- o Provide a diversity of environments for active and passive pursuits.

Based on the above findings, it is determined that the proposed development will not have any substantial adverse impacts on the surrounding area, nor will its approval be contrary to the objectives and policies of Chapter 205A, HRS, relating to Coastal Zone Management and Rule No. 9 of the Planning Commission relating to the Special Management Area.

Approval of this request is subject to the following conditions:

1. The applicant, its successor or assigns shall be responsible for complying with all stated conditions of approval.
2. The applicant, its successors or assigns shall indemnify and hold the County of Hawaii harmless from and against any loss, liability, claim or demand for the property damage, personal injury or death arising out of any act or omission of the applicant, its successors or assigns, officers, employees, contractors and agents under this permit or relating to or connected with the granting of the permit.
3. Final Plan Approval for the proposed improvements shall be secured from the Planning Department in accordance with Chapter 25-243 of the Zoning Code. Plans shall identify the proposed structures, vehicular traffic, paved driveway access and parking stalls associated with the proposed use. Parking for all functions shall be maintained on the subject property. Landscaping shall also be indicated on the plans and be provided for the purpose of mitigating any adverse noise or visual impacts to adjacent properties.
4. Construction of the proposed development shall be completed within five (5) years from the effective date of this permit.
5. Access, roadway and any drainage improvements shall be constructed in a manner meeting with the approval of the Department of Public Works and prior to the issuance of a certificate of occupancy.
6. Sewer lines shall be constructed, to hook up to the County and Kamehameha Investment Corporation's wastewater system located at Heeia in a manner meeting with the approval of the Department of Public Works and prior to the issuance of a certificate of

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occupancy. In the interim, wastewater generated by the proposed development shall be disposed of in a manner meeting with the approval of the Department of Health or Department of Public Works, whichever is applicable.

7. Plans for the siting of the clubhouse shall be submitted to the State Department of Land and Natural Resources-Historic Preservation Division for review and approval prior to Final Plan Approval.
8. Should any remains of historic sites, such as rock walls, terraces, platforms, marine shell concentrations or human burials, be encountered, work in the immediate area shall cease, and the Department of Land and Natural Resources-Historic Preservation Division (DLNR-HPD) shall be immediately notified. Subsequent work shall proceed upon an archaeological clearance from the DLNR-HPD when it finds that sufficient mitigative measures have been taken.
9. 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. If the applicant fails to comply with the conditions of approval the Planning Director shall investigate and, if necessary, enforce the appropriate conditions. The Planning Director may, as part of any enforcement action or remedial effort, refer the matter to the Planning Commission for review. Upon appropriate findings by the Planning Commission that the applicant has failed to comply with the conditions of approval or has caused an unreasonable adverse impact on surrounding properties, the permit may be suspended or revoked. This condition shall remain in effect until all of the conditions of approval have been complied with and the Planning Director acknowledges that further reports are not required.
10. An initial 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.
 - 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).

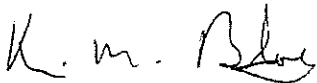
Should any of the foregoing conditions not be met or substantially complied with in a timely fashion, the Planning Director shall initiate procedures to revoke the permit.

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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.

Should you have any questions, please feel free to contact Alice Kawaha or Susan Gagorik of the Planning Department at 961-8288.

Sincerely,



Kevin M. Balog, Chairman
Planning Commission

AK:syw

LOtaka01.PC

cc: Honorable Stephen K. Yamashiro, Mayor
Department of Public Works
Department of Water Supply
County Real Property Tax Division
West Hawaii Office
Office of State Planning, CZM Program (w/Background)
Department of Land and Natural Resources
Mr. Steve Kawagishi