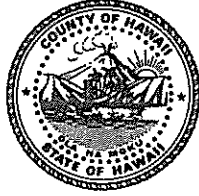


Stephen K. Yamashiro  
Mayor



## County of Hawaii

### PLANNING COMMISSION

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APR 20 2000

Mr. Louis A. Kau, President  
Kamehameha Investment Corporation  
P.O. Box 5685  
Kailua-Kona, HI 96740

Dear Mr. Kau:

Special Management Area Use Permit Application (SMA 00-001)  
Request: To Allow the Development of a 45-Lot Single Family Residential Subdivision  
Applicant: Kamehameha Investment Corporation  
Tax Map Key: 7-8-11:10 and 13

The Planning Commission at its duly held public hearing on April 7, 2000, voted to approve the above-referenced application. Special Management Area (SMA) Use Permit No. 400 is hereby issued to allow the development of a 45-lot single family residential subdivision (Bayview Estates Phase II) and related improvements. The properties are located to the south of Kaluna Street bordering the existing Bayview Estates Phase I and Hale Kehau Condominium project, 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

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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 applicant states that: "The Keauhou Resort lands were master-planned in the 1960's and 1970's to allow for the orderly development of residential communities within a resort setting. Over the years, residential sales within the Keauhou Resort area have been relatively strong, due in large part to the well-planned resort-residential community environment, the range and quality of residential products being offered, and the wealth of nearby commercial and recreational amenities. The proposed project is intended to help meet the growing demand for residential lots in the Keauhou Resort area and allow for the expansion of an existing subdivision in an orderly and cost-effective manner.

"As an extension of the existing Bayview Estates at Keauhou, the Phase II subdivision offers the advantage of being close to existing infrastructure and supportive public services. The project has also been planned with a sensitivity to the environmental and cultural considerations of the site. Development of the proposed project, by providing for the logical extension of an existing residential subdivision with the same high level of site amenities, is intended to help meet the applicant's long-term goal of developing a high quality master-planned, resort-residential community at Keauhou and Kahalu'u, North Kona.

"The roadways within the subdivision will be built to County dedicable standards, which include minimum-required pavement and right-of-way widths, curbs, gutters and sidewalk, and underground utilities such as water, sewer, electricity, telephone and cable television. The subdivision will remain in private ownership, and there is a security gate at Bayview Estates entrance.

"The proposed subdivision will be developed in a manner similar to Bayview Estates in that lot purchasers will be responsible for grading their own lots and building their own homes. The design of the home will be monitored by a homeowner's design committee to assure quality house design and construction. Design guidelines and restrictive covenants will be used by the design committee as a basis for the design review and approval."

The proposed development is located mauka of Ali'i Drive, approximately 1,500 feet from the shoreline. Therefore, there would be no adverse impact to recreational and visual resources, access to and along the shoreline nor coastal ecosystems. There are two residential structures currently on the property that are owned by the applicant and rented on a month to month basis. These structures will be demolished prior to the commencement of the development. The proposed development would not impact the

immediate adjacent properties. The proposed development is adjacent to Bayview Estates Phase I, a 51-lot single family residential (RS-15) subdivision. This development would not impact the immediate adjacent properties as lands to the north are the 135-lot Keauhou Estates (RS-15), 58-unit The Villas (RM-3.5) and 29-unit Hale Kehau condominiums (RM-3), and to the west are lands zoned RS-7.5, RM-1, RM-3, V-4. To the north and southwest are lands zoned for single family residential. Land uses in the area include the Keauhou Estates, Hillhaven Medical Care facility, golf course and condominiums across Kamehameha III Road; Keauhou Shopping Village and vacant lands.

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 Department of Public Works, the applicant should install sewer lines to tie in with the Heeia Wastewater Treatment Plant. A condition of approval will be included that the applicant hook up to the County's sewer system. The Flood Insurance Rate Maps (FIRM) indicate that the property is located in Zone "X," areas outside of the 500-year flood plain. There are no significant drainageways anticipated. While there are no indications of surface water flow on-site, the applicant will abide by all applicable County guidelines for run-off generated by the development. The Department of Public Works has recommended that a drainage study be prepared for review and approval, prior to submittal of plans for subdivision review. Therefore, a condition of approval will be included to comply with this recommendation.

The Department of Health requires that if there is any type of process wastewater discharge from the project into State waters, the applicant may be required to apply for an individual NPDES permit. The applicant has stated that they will file a Notice of Intent for a NPDES permit. 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.

According to the applicant's Environmental Report, the property is almost entirely covered with buffel grass and stands of koa haole. Plant species are common, mostly alien, species: (1) trees such as kiawe, kukui, African tulip, noni and monkeypod; (2) shrubs such as koa-haole, Christmas berry, klu, castor bean and sodom apple; and (3) common herbs such as bermuda grass, spiny pigweed, four-o'clock, beggar's tick, Sacramento bur, goose grass, heliotrope, sow thistle, rattle pod, finger grass, crab grass, and sand bur. Bindweed, coccinea, and koali awahi'a represent the vine types. The native plant community present on the site, are weedy varieties and are able to compete in the face of disturbance or invasion of other weeds. None of the species found in the course of the survey are officially listed as endangered or threatened; nor are any species proposed or candidate for such status.

According to the applicant's Environmental Report, no native land birds or seabirds were recorded. Species observed include the Japanese White-Eye, Yellow-Billed Cardinal, Zebra Dove, Common Myna, House Sparrow, and House Finch. No endangered species were observed. No forest bird species are associated with these areas because of the low elevation. The Hawaiian Hoary Bat was not observed on the project site, however, they have been observed offshore in the Kona area a number of times. Mongoose, feral dogs and cats were observed.

An archaeological inventory survey was conducted by International Archaeological Institute, Inc. Four archaeological sites were found within or bordering the project site. They include two previously identified sites, a portion of a historic wall network, which forms the parcel's southern boundary, and portions of the Keauhou Trail. Two additional sites comprising 19 features were identified. Site 19650 is comprised of 11 features (walls, mounds, and modified outcrops) and Site 19651 is comprised of eight features (large enclosures platform terraces, and modified outcrops). Site 19651 is identified as a possible burial. It is recommended by the archaeologist, that "These, and other locations which might be associated with the burial of human remains, should be isolated and treated in accordance with Hawai'i State burial procedures. If the grave sites are located in the course of development, any further mitigation plans should be made with the consultation of local informants and other descendants as appropriate." The specific treatment for the archaeological features designated for preservation would be determined as part of the archaeological approval process in conjunction with the requirements of Department of Land and Natural Resources-Historic Preservation Division (DLNR-HPD) and other applicable agencies. The preparation of a data recovery plan and preservation plan and the establishment of buffer zones, interim protection measures and remaining archaeological data recovery still needs to be completed. Therefore, a condition of approval will be included stating that the applicant fully implement the approved data recovery plan and preservation plan prior to securing Final

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Subdivision Approval of the proposed development. The implementation of this mitigation plan will satisfy the SMA objective to "Protect, preserve and where desirable restore significant historic and cultural resources." Further with respect to the Keauhou Trail, a condition will be included that there be a system of public access.

The property is located mauka of Ali'i Drive approximately 1,500 feet from the shoreline and over 2,000 feet from Kuakini Highway. There is no visual impact to the ocean due to the topographical nature of the project site and design standards. The proposed development will not adversely impact any recreational or visual resources to the shoreline and coastal ecosystems.

There are no air quality monitoring stations in the West Hawaii Region. The existing noise generated in the area is coming from the noise from Ali'i Drive, Kamehameha III Road and Kuakini Highway traffic. The principal source of short-term air quality impacts associated with the construction of the proposed improvements, is expected during construction. Given the limited nature of the improvements, no long term air and noise quality impacts are anticipated.

The proposed development will not severely interfere with the coastal view plane. The subject property is not located within an area recognized by the General Plan as an example of natural beauty. Therefore, the proposed development will not adversely impact any scenic or open space resources to the shoreline and coastal ecosystems.

The proposed development is consistent with the County General Plan and Zoning Code. The proposed project does conform to the General Plan Land Use Pattern Allocation Guide (LUPAG) Map, which designates this area for Urban Expansion and Low Density Urban Development. Urban Expansion Area allows for a mix of high density, medium density, low density, industrial and/or open designations in areas where new settlements may be desirable, but where the specific settlement pattern and mix of uses have not yet been determined. Within areas designated for development as resorts, portions of the resort area may be included in the Urban Expansion Area. The Low Density Urban Development designation refers to single family residential in character, ancillary community and public uses and convenience type commercial uses.

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.

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Approval of this request is subject to the following conditions. Should any of the conditions not be met or substantially complied with in a timely fashion, the Director may initiate to revoke this permit.

1. The applicant, its successor or assigns shall be responsible for complying with all stated conditions of approval.
2. The effective date of this Special Management Area Use Permit shall be the effective date of the Change of Zone ordinance. Should the SMA boundaries be amended so that the subject property is no longer within the SMA, then this permit shall be null and void.
3. The applicant, its successors or assigns shall be responsible for complying with all conditions of approval of the Change of Zone Ordinance.
4. A drainage study of the subject property, if required, shall be prepared for review and approval by the Department of Public Works, prior to submittal of plans for subdivision review. Drainage improvements, if required, shall be constructed or bonded meeting with the approval of the Department of Public Works prior to the issuance of Final Subdivision Approval.
5. The applicant, its successors or assigns shall submit a Solid Waste Management Plan for the development to the Department of Public Works for review and approval. A copy of the approved Plan shall be submitted to the Planning Department prior to securing Final Subdivision Approval.
6. Sewer lines shall be installed within the development to tie in with the Heeiea Wastewater Treatment Plan, meeting with the approval of the Department of Public Works and prior to the issuance of a certificate of occupancy.
7. An Archaeological Data Recovery Plan and Preservation Plan shall be submitted for the review and approval to the Planning Director, in consultation with the Department of Land and Natural Resources-Historic Preservation Division (DLNR-HPD). Proposed mitigation treatment (preservation in place or disinterment/reinternment) for burial sites within the subject property shall be approved by the Historic Preservation Division's Hawaii Island Burial Council before detailed mitigation plans are finalized for these sites. A copy of the approved Final Archaeological Data Recovery Plan and Preservation Plan shall be submitted to the Planning Director for its files prior to submitting plans for final subdivision approval and/or prior to any approval for any land alteration permits.

An interpretation/mitigation plan for the subject property and specifically the Keauhou Trail shall include buffer zones, a system of public access, signage and long-range preservation concerns shall be submitted to the Planning Director prior to Final Subdivision 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. Comply with all applicable laws, rules, regulations and requirements of other affected agencies for approval of the proposed development within the subject property, including the Department of Health.
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 with and the Planning Director acknowledges that further reports are not required.
11. 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 applicants, its 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).

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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 contact Eleanor Mirikitani of the Planning Department West Hawaii Office at 327-3510 or Alice Kawaha of the Planning Department Hilo Office at 961-8288.

Sincerely,



Richard B. Baker, Jr., Chairman  
Planning Commission

Lkic01PC

cc: Department of Public Works  
Department of Water Supply  
County Real Property Tax Division  
West Hawaii Office  
Office of Planning, CZM Program (w/Background)  
Department of Land and Natural Resources  
Kazu Hayashida, Director/DOT-Highways, Honolulu  
Mr. Norman Hayashi  
Mr. Jeffrey Darrow  
Subdivision Section  
Mr. James Leonard  
Steven S. C. Lim, Esq.