

County of Hawai'i

PLANNING COMMISSION

Aupuni Center • 101 Pauahi Street, Suite 3 • Hilo, Hawai'i 96720
Phone (808) 961-8288 • Fax (808) 961-8742

June 20, 2007

Mr. David Franco
Matson Navigation Company
P.O. Box 2630
Honolulu, HI 96803

Dear Mr. Franco:

Special Management Area Use Permit Application (SMA 07-000017)
Request: Installation of Modular Offices and Connection of Utilities
Applicant: Matson Navigation Company
Tax Map Key: 2-1-9:26

The Planning Commission at its duly held public hearing on June 5, 2007, voted to approve the above-referenced application to allow the construction of a 1,760-square foot (88'x20') modular office building and related improvements at the Hilo Harbor. The proposed office building will gain access from Kalaniana'ole Avenue, Waiakea, South Hilo, 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 proposed 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. The applicant requests the SMA Use Permit to allow the construction of a modular office building and related improvements and plans to relocate their existing offices, currently in the Pier 1 shed. The new offices include a sales office, manager's office, conference room, an auto inspection office, storage and accessible restrooms. The project also includes the installation of a temporary guard station within the secondary access road to Hilo Harbor. The project will enable the applicant to use the secondary access road, adding extra

JUN 20 2007

Mr. David Franco

Page 2

vehicle inspection capacity to Hilo Harbor and increasing overall harbor efficiency and capacity. The cost of the improvements is approximately \$425,000.00.

The proposed action will not create significant adverse impacts upon nearby and immediately adjacent properties. The project site is located makai of Kalaniana'ole Street at the Hilo Harbor facility. The property is paved and current leased by the Hawaii Stevedores as a vehicle, container and trailer storage area. Surrounding properties are zoned MG-1a and in various industrial uses. Napa (Auto Parts) offices are located at the western corner of the second access road and Kalaniana'ole Street, and the Gas Company is located to the east of the intersection. Aloha Petroleum is also located to the east of the project site. The closest residences (three dwellings) are located across Kalaniana'ole Street approximately 600 feet to the south.

While the proposed development will not have a direct impact upon coastal recreational resources, review of developments within the Special Management Area must also consider the cumulative impacts of such developments upon these resources. With the proposed conditions, the development will not substantially affect scenic vistas or viewplanes of nearby properties nor have a significant adverse impact on coastal recreational or visual resources to the shoreline and coastal ecosystems. The proposed use will not restrict access to coastal recreational resources along the shoreline nor will it restrict existing visual viewplanes. As the surrounding area is developed with industrial uses, the coastal view plane is absent from Kalaniana'ole Street as well as the shoreline.

Air quality in the area is predominantly affected by emissions from natural and vehicular sources. Both short-term air and noise quality impacts associated with the construction of the proposed improvements are expected during construction, especially during grubbing and grading activities. These impacts can be mitigated through the utilization of best management practices. Given the limited nature of the improvements, no significant long-term air and noise quality impacts are anticipated.

The proposed project 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. County water is available to the property, and the project will connect to the existing sewerline along Kalaniana'ole Street. Any potential runoff or discharge that could reach ocean waters can be handled by on-site improvements consistent with the requirements of the Department of Public Works. Any impacts from soil erosion and runoff during site preparation and construction phases can be adequately mitigated through compliance with existing regulations and proper construction practices. Air emissions generated during the construction phase for the proposed project can be mitigated by existing construction regulations. With these precautionary measures in place, the proposed development is not anticipated to have any substantial adverse effects upon nearby coastal resources or

the surrounding environment. Conditions of approval will be included relating to wastewater, solid waste and public safety to ensure that impacts on coastal resources are minimized.

As the project site is paved and currently used as a vehicle, container and trailer storage area, no commissioned archaeological inventory survey, cultural assessment study or flora or faunal studies were conducted for the area. An archaeological inventory of the project site and surrounding areas was conducted for the FEIS for the Hawaii Commercial Harbors 2020 Master Plan and there were no archaeological resources or historic sites in the area. By letter dated February 6, 2007, the applicant has requested a letter of "no effect" from the Department of Land and Natural Resources Historic Preservation Division. However, a condition will be included to require the applicant to cease work and notify the Department of Land and Natural Resources-Historic Preservation Division (DLNR-HPD) should any unanticipated archaeological features or sites be uncovered during construction on the parcel. There are no traditional and customary native Hawaiian rights being exercised on the site.

The proposed development is consistent with the County General Plan and the Zoning Code. The General Plan Land Use Pattern Allocation Guide (LUPAG) Map establishes the basic urban and non-urban form for areas within the County. The subject area is designated Industrial. This designation includes uses such as manufacturing and processing, wholesaling, large storage and transportation facilities, light industrial and industrial-commercial uses. Thus, the proposed development is consistent with the LUPAG Map designation. The property is zoned General Industrial one-acre (MG-1a).

The existing access to the project site is from Kuhio Street, although the project will allow access through the second harbor access road via Kalaniana'ole Street, west of the Gas Company site. Currently, a guard station on Kuhio Street controls ingress and egress to Kalaniana'ole Street. The project will allow access to the site from Kalaniana'ole Street via the gated second harbor access road. The portion of Kalaniana'ole Street between Kuhio Street and the second harbor access road is under the jurisdiction of the State Department of Transportation (DOT).

Based on the above findings, it is determined that the proposed development and related improvements 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 of this permit.
2. The proposed improvements shall be completed within five (5) years from the effective date of this permit. Prior to construction, the applicant, successors or assigns shall secure Final Plan Approval for the proposed improvements from the Planning Director in accordance with Section 25-2-70, Chapter 25 (Zoning Code), Hawaii County Code. Plans shall identify all existing and/or proposed structures, paved driveway access and parking stalls associated with the proposed development. Landscaping shall also be indicated on the plans for the purpose of mitigating any adverse noise or visual impacts to adjacent properties in accordance with the requirements of Planning Department's Rule No. 17 (Landscaping Requirements).
3. All development-generated runoff shall be disposed of on-site and shall not be directed toward any adjacent properties.
4. If required by the Department of Public Works, a drainage study shall be prepared by a licensed civil engineer and submitted to the Department of Public Works prior to the issuance of a construction permit. If required, the drainage improvements shall be constructed, meeting with the approval of the Department of Public Works, prior to the receipt of a Certificate of Occupancy.
5. During construction, measures shall be taken to minimize the potential of both fugitive dust and runoff sedimentation. Such measures shall be in compliance with construction industry standards and practices utilized during construction projects of the State of Hawaii.
6. All earthwork and grading shall conform to Chapter 10, Erosion and Sediment Control of the Hawaii County Code.
7. A Solid Waste Management Plan shall be submitted to the Department of Environmental Management for review and approval prior to the issuance of a Certificate of Occupancy.
8. The project shall connect to the County sewerline, prior to the issuance of a Certificate of Occupancy.

9. An Emergency Response Plan shall be submitted to the Hawaii County Civil Defense Agency for review and approval prior to the issuance of a Certificate of Occupancy.
10. Should any undiscovered 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 mitigation measures have been taken.
11. The applicant shall comply with all applicable County, State and Federal laws, rules, regulations and requirements.
12. An initial extension of time for the performance of conditions within this 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 this 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).
 - E. If the applicant should require an additional extension of time, the Planning Department shall submit the applicant's request to the Planning Commission for appropriate action.

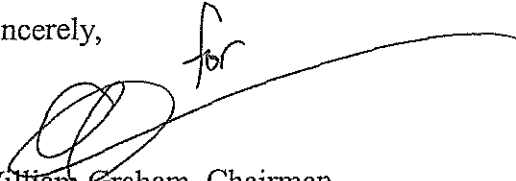
Should any of the conditions not be met or substantially complied with in a timely fashion, the Planning Director may initiate procedures to revoke the permit.

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.

Mr. David Franco
Page 6

Should you have any questions, please contact Norman Hayashi of the Planning Department at 961-8288, x205.

Sincerely,

 for

William Graham, Chairman
Planning Commission

Lmatson01PC

cc: Mr. Neal Herbert
Department of Public Works
Department of Water Supply
County Real Property Tax Division
Department of Land and Natural Resources/HPD-Kona
DOT-Highways, Honolulu
Ms. Alice Kawaha
Zoning Inspector
Mr. Daryn Arai