

County of Hawai'i

PLANNING COMMISSION

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Phone (808) 961-8288 • Fax (808) 961-8742

December 21, 2007

Mr. Michael Fujimoto
HPM Building Supply
16-166 Melekahiwa Street
Keaau, HI 96749

Dear Mr. Fujimoto:

Special Management Area Use Permit Application (SMA 07-000021)
Request: Demolition of 2 Structures and Construction of Two New Structures,
Lumber Racks, and Related Improvements
Applicant: HPM Building Supply
Tax Map Key: 2-1-6:1

The Planning Commission at its duly held public hearing on December 7, 2007, voted to approve the above-referenced request to allow the demolition of two existing warehouse buildings and construction of a new building material warehouse, a new wood shed, new wood racks, and related improvements. The property involved is the existing site of HPM Building Supply's warehouse complex situated between Kalaniana'ole Street and Kamehameha Avenue, adjacent to and east of the Suisan Company complex, Waiakea, South Hilo, Hawaii.

Approval of this request is based on the following:

The applicant is requesting a Special Management Area Use Permit to allow the renovation of the existing HPM's Distribution Center facility. The proposed renovations will include the demolition of two existing warehouses, the construction of two new warehouses, an addition to an existing warehouse, lumber racks, parking and related improvements. The site plan shows the demolition of two (2) existing warehouses, the construction of a new 50' x 190' metal warehouse for lumber storage and construction of a new 60' x 240' metal warehouse to house Central Receiving for hardware and building supplies, a 34' x 78' addition to an existing warehouse that currently houses window and door manufacturing facilities, the installation of assorted open-air lumber racks, drainage sump/drywell improvements and additional parking.

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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. In considering the significance of potential environmental effects, the Director shall consider the sum of those effects that adversely affect the quality of the environment and shall evaluate the overall and cumulative effects of the action. 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.

A "substantial adverse effect" is determined by the specific circumstances of the proposed use, activity or operation. In determining whether a proposal may have a substantial adverse effect on the environment, the Director shall consider every phase of a proposed action and expected consequences, either primary or secondary, or the cumulative as well as short or long-term effect of the proposal. In reviewing the proposed development against the factors that may constitute a substantial adverse effect as listed under Planning Commission Rule 9-10 (H) (1 through 10), it has been determined that the proposed renovation of existing HPM Building Supply facility and related improvements in this area will not have a significant adverse environmental or ecological effect to the Special Management Area. It should be noted that under Planning Commission Rule 9-10 (H) (9), a proposed use, activity or operation may constitute a substantial adverse if it affects an environmentally sensitive areas, such as flood plain, tsunami zone, erosion-prone area, geologically hazardous land, estuary, fresh water or coastal water. Although this use is located within the Tsunami Evacuation Zone, the proposed renovation will not create a substantial adverse effect on this environmentally sensitive area.

The proposed development will not create significant adverse impacts upon nearby and adjacent properties as the immediate area has been developed with similar uses (industrial type uses). Surrounding properties to the west are zoned ML-20, which is the location of the Suisan Complex. Further west are properties zoned Hotel-Resort (V-.75). Properties to the north and east are zoned MG-1a and ML-20 and consist of industrial and commercial uses. The Waiakea Fire Station is located to the east across Keaa Street. The Hilo International Airport is zoned MG-1a and located south of the property across Kamehameha Avenue.

The property is located within an area adequately served with essential services and facilities such as water, transportation systems and other utilities. There are two accesses to the property. One access is from Keaa Street and the other is from Kamehameha Avenue. The access from Keaa Street serves as the primary access for incoming materials from Hilo Harbor. Both accesses are used for departing materials and employees. County water is available to the site. A private waste disposal firm will dispose the small amount of waste material to the County landfill. Wastewater is currently disposed of within two existing septic cesspools on the property. A condition of approval will be added requiring that the applicant construct a septic system and leach field because of the shallow depth of ground water in the area.

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.

The proposed development is consistent with the County General Plan and Zoning Code and other applicable ordinances. The General Plan Land Use Pattern Allocation Guide (LUPAG) Map designation for this area is Industrial, which include uses such as manufacturing and processing, wholesaling, large storage and transportation facilities, light industrial and industrial-commercial uses. The County Zoning for the property is MG-1a. The MG district applies to areas for uses that are generally considered to be offensive and noxious. These noxious heavy industrial uses must be separated from residential and other incompatible uses in the zoning process. This site is not located near a residential area, but is located next to the Hilo International Airport and other similar types of industrial uses.

There are two distinct types of industrial development. One sector is service-oriented and is affected by population and the level of activity of other business activities. The other sector, basic industries, is mostly influenced by outside markets. The location of industrial developments is important for many reasons. In the case of service types of industrial development (non-basic), areas designated for industrial uses must be close enough to population and/or commercial areas for efficiencies but still distant enough to avoid traffic problems. Some industrial districts consist of enterprises and facilities that are not necessarily compatible with commercial areas. Businesses included in this district

are generally more noxious than those in general commercial areas. Industrial developments in many communities are located adjacent to these areas and could result in environmental problems such as noise, air and water pollution. Basic industrial activity is usually found close to raw products or other key resources. Both kinds of industries are affected by the availability of transportation facilities. Other factors equally important are the availability of public utilities, the cost of land, and internal and external circulation.

The South Hilo district has approximately 2,185 acres of industrial zoned lands. With almost 36 per cent of the island's Industrial-zoned lands, South Hilo is the major industrial center on the island. The principal industrial areas are the Kanoelehua area, Hilo Harbor, and the Hilo International Airport area. Industrial development in Hilo is primarily due to its available transportation facilities, the harbor and airport, and its concentration of population.

The proposed development will complement the goals, policies and standards of the Land Use (Industrial) Element of the General Plan by achieving a broader diversification of local industries by providing opportunities for new industries and strengthening existing industries. The proposed renovation project will strengthen Hawaii Planing Mill, which is a well-established local industry. Therefore, the proposed development is consistent with the County General Plan and with County zoning.

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. The project site is located within the Special Management Area. 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. In reviewing the proposed development, it has been determined that it is consistent with the objectives and policies listed under Chapter 205A, HRS, which includes protecting and preserving recreational resources, historic resources, scenic and open space resources, coastal ecosystems, economic uses, coastal hazards, beach protection, and marine resources. As the property is located approximately 600 feet from the nearest shoreline, it is not anticipated that the proposed renovation will have a significant adverse environmental or ecological effect to these valuable resources.

The proposed development will not substantially affect scenic vistas or viewplanes from the nearest State Highway nor have an adverse impact on coastal recreational or visual resources to the shoreline and coastal ecosystems. Additionally, the renovation project will not restrict access to coastal recreational resources along 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. 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 site is currently used for industrial/commercial purposes and entirely paved. There are no listed, candidate or proposed threatened or endangered plant species that found or would be expected in the area, and no rare plant species or ecosystems are present or nearby.

There is no evidence of any traditional and customary Native Hawaiian rights being practiced on the site, nor existence of any known valued cultural, historical or native resources on the property.

The development will to the extent feasible, reasonably protect native Hawaiian rights if they are found to exist. In view of the recent Hawaii State Supreme Court's "PASH" and "*Ka Pa'akai O Ka'Aina*" decisions, the issue relative to native Hawaiian rights, such as gathering and fishing rights, must be addressed. These rights must be addressed in terms of the cultural, historical, and natural resources and the associated traditional and customary practices of the site.

Investigation of valued resources: The following surveys and/or s and submitted with the application:

- An Archaeological Assessment Survey was conducted of the subject property by Paul H. Rosendahl, Ph.D., of PHRI dated September 2007. The applicant sent a request for a "no-effect" letter from the Department of Land and Natural Resources-State Historic Preservation Division dated September 7, 2007.

The valuable cultural, historical, and natural resources found in the area: The property is entirely paved and currently used for industrial/commercial purposes. The assessment survey revealed that no original unmodified terrain exists on the current property. The project area has, at various times, been subjected to earth disturbing activities and construction of various buildings. This undoubtedly obliterated any archaeological resources that might once may have been present. A request was sent to the Department of Land and Natural Resources-State Historic Preservation Division requesting for a formal determination of "no historic properties affected" for the project area on September 7, 2007. No response has been received as of the date of this writing.

Possible adverse effects or impairment of valued resources: As the property is entirely paved and developed, there are no valuable cultural, historical, and/or natural resources on the property.

Feasible actions to protect native Hawaiian rights: To the extent that traditional and customary native Hawaiian rights are exercised, the proposed action will not affect traditional Hawaiian rights. The proposed project will not restrict the use of natural resources along the shoreline, as the property is not in close proximity to the shoreline. A condition of approval will protect any unidentified cultural, historical, and natural resource in the event any are encountered during construction.

Based on the above findings, it is determined that the proposed development and related improvements will not have 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. Construction of the proposed development shall be completed within five (5) years from the effective date of this ordinance. Prior to construction, the applicant, successors or assigns shall secure Final Plan Approval for the proposed development from the Planning Director in accordance with Chapter 25-2-70, Chapter 25 (Zoning Code), Hawaii County Code. Plans shall identify all existing and/or proposed structures, fire protection measures, parking stalls, and other improvements associated with the proposed use in accordance with the 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. The drainage improvements, if required, shall be constructed, meeting with the approval of the Department of Public Works, prior to receipt of a Certificate of Occupancy.
5. Comply with Chapter 11-55, Water Pollution Control, Hawaii Administrative Rules, Department of Health, which requires an NPDES permit for certain construction activity.

6. 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 in the State of Hawaii.
7. All earthwork and grading shall conform to Chapter 10, Erosion and Sediment Control of the Hawaii County Code.
8. 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.
9. A Solid Waste Demolition Plan shall be submitted to the Department of Environmental Management for review and approval prior any demolition of structures on the property.
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).

Mr. Michael Fujimoto
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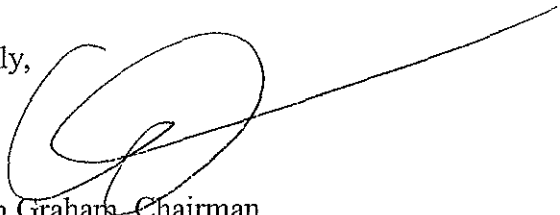
- E. If the applicant should require an additional extension of time, the Planning Department shall submit the applicant's request to the Planning Commission for appropriate action.

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.

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

Sincerely,



William Graham, Chairman
Planning Commission

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cc: Mr. Jeff Melrose
Department of Public Works
Department of Water Supply
County Real Property Tax Division
~~Planning Department - Kona~~ *WJ*
Department of Land and Natural Resources/HPD-Kona
DOT-Highways, Honolulu
Ms. Alice Kawaha
Zoning Inspector
Plan Approval Section