

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

February 2, 2009

Mr. Barry Taniguchi
K. Taniguchi, Ltd.
50 Puainako Street
Hilo, HI 96720

Dear Mr. Taniguchi:

Special Management Area Use Permit Application (SMA 08-000031)
Request: Demolition of 7,700 Square Foot Structure, Install Parking, and
Construct Exterior Facade Improvements to Existing KTA Store
Applicant: K. Taniguchi, Ltd.
Tax Map Key: 2-3-8:1 and 33

The Planning Commission at its duly held public hearing on January 15, 2009, voted to approve the above-referenced request for a Special Management Area (SMA) Use Permit to allow the demolition of an existing commercial structure, construction of a parking lot, and renovation to the exterior façade of the existing KTA Downtown Store. The project site is located on the northeast corner of the Keawe Street and Mamo Street intersection, South Hilo, Hawai'i.

Approval of this request is based on the following:

The purpose of Chapter 205A, Hawai'i Revised Statutes (HRS), and Special Management Area Rules and Regulations of the County of Hawai'i, is to preserve, protect, and where possible, 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 sum of the effects that may adversely affect the quality of the environment shall be considered and the overall cumulative effects of the action shall be evaluated. 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 applicant requests a Special Management Area Use Permit to demolish an existing commercial structure, construct a parking lot, and renovate the exterior façade of the existing KTA Downtown Store. The existing approximately 7,700-square foot structure on the northeast corner of Keawe and Mamo Streets (Parcel 1) will be demolished for the construction of a paved parking lot. The site plan shows approximately 15 new stalls, with existing ADA-accessible stalls located to the rear of the KTA store. An accessible walkway is proposed between the new parking lot and the store. The southern side of KTA will be improved with a new store entry. Only exterior improvements are proposed for the existing KTA store. Façade improvements will be constructed to capture the character of the surrounding downtown area. The applicant proposes to improve the existing KTA grocery store and add much needed parking to serve their customers. The demolition of the existing structure on the corner of Keawe/Mamo Street will remove a significant “general liability issue for which renovation cost would far exceed the value of the commercial revenues anticipated from retaining the structure.”

The proposed development will not create significant adverse impacts upon nearby and adjacent properties. Downtown Hilo is developed with a mix of commercial uses. Surrounding properties are zoned Downtown Hilo Commercial (CDH) and includes various commercial establishments. Across Keawe Street to the west is a building undergoing renovation. A partially paved parking lot and a portion of the Farmer’s Market is located on Mamo Street, south of the project site.

While the project 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 development upon these resources. The proposed development will not substantially affect scenic vistas or viewplanes nor have an adverse impact on coastal recreational or visual resources to the shoreline and coastal ecosystems.

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. The project is not anticipated to result in

cumulative impacts, as it involves the renovation of an existing structure and the construction of a paved parking lot. Therefore, no significant long-term air and noise quality impacts are anticipated.

The proposed project is consistent with the objectives and policies 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 Water Supply, water is available to the site from an existing 6-inch waterline within Mamo Street and from an existing 6-inch waterline within Keawe Street, both fronting the subject parcels. Wastewater will be disposed of in the County sewerline. 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. 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.

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 properties. The area to be used for the new parking lot has been improved for over 85 years; thus, the applicant states that there is no native habitat and no federal or state listed candidate or proposed threatened or endangered animal or plant species on the project site. As the project site is fully improved, there are no known traditional and customary rights being practiced on or near the site. The applicant has filed a Condition Assessment Report which has been accepted by the DLNR-HPD. The applicant will be required to comply with Act 228, effective July 8, 2008, which require owners of historic buildings to submit archival-quality photographs to the DLNR prior to the issuance of a building permit. The provisions of Act 228 apply to private and public buildings that are at least fifty (50) years old.

The project site is located in Zone "X", areas determined to be outside the 500-year flood plain. Any new construction or substantial improvements within that portion of the site will be subject to the requirements of Chapter 27 - Flood Control, of the Hawai'i County Code.

There are identified recreational resources along the Hilo Coast. These include surfing, fishing, boating, and other similar types of activities. There are identified public access areas to the shoreline in the vicinity of the project site. However, the proposed development will not affect public shoreline accesses to the shoreline or mountains.

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 High Density Urban, which allows general commercial, multiple family residential and related services (multiple family residential -- up to 87 units per acre). The proposed development will complement the goals, policies and standards of the Land Use and Economic elements of the General Plan. The proposed new façade will be renovated to reflect the character of the surrounding area, and the parking lot will provide much needed additional parking spaces to accommodate the growing number of shoppers as downtown Hilo continues to thrive and prosper.

The properties are zoned Downtown Hilo Commercial (CDH), a zoning designation specific to this area of Hilo. Permitted uses include restaurants, bars, offices, hotels, single-family and multiple-family dwellings, service stations and retail establishments among those allowed in the CDH district. Therefore, the proposed development is consistent with the County General Plan and County zoning. The request is also consistent with the *Envision Downtown Hilo 2025: Community-Based Vision and Living Action Plan*, adopted by the Hawai'i County Council by Resolution No. 192 05 on November 22, 2005. Although the plan does not specifically address activities such as the proposed project, Strategy 6.4 of the plan states to "Preserve Downtown Hilo's historic character and unique assets and promote renovation of its historic buildings."

The project site is located within an area adequately served with essential services and facilities such as water, sewer, transportation systems and other utilities. Access to the project site is from Mamo Street and Keawe Street, both County roadways. The existing entrance to the KTA parking lot will continue to be utilized.

Based on the above findings, 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.
2. The applicant shall install a backflow preventer (reduced pressure type) by a licensed contractor within five feet of the meter on the applicant's property, meeting with the approval of the Department of Water Supply.
3. Construction of the proposed development 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 development from the Planning Director in accordance with Chapter 25-2-70, Chapter 25 (Zoning Code), Hawai'i County Code.

4. Prior to the issuance of a building permit, the applicant shall comply with Act 228 and submit archival-quality photographs to the Department of Land and Natural Resources – Historic Preservation Division.
5. All development-generated runoff shall be disposed of on-site and shall not be directed toward any adjacent properties.
6. The applicant shall comply with Chapter 27 - Flood Control, of the Hawai'i County Code.
7. 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 Hawai'i.
8. Should any undiscovered remains of historic sites, such as 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.
9. The applicant shall comply with all applicable County, State and Federal laws, rules, regulations and requirements.
10. 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.

Mr. Barry Taniguchi
Page 6

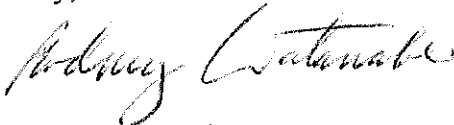
- D. The time extension granted shall be for a period not to exceed the period originally granted for performance (i.e., a condition to be performed within one year may be extended for up to one additional year).
- E. If the applicant should require an additional extension of time, the Planning Department shall submit the applicant's request to the Planning Commission for appropriate action.

Should any of the foregoing 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,



Rodney Watanabe, Chairman
Planning Commission

Lktaniguchi01PC

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