

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

October 27, 2009

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

Dear Mr. Fuke:

Special Management Area (SMA) Use Permit (SMA 09-000035)
Applicant: American Trading Co., Ltd.
Request: Conversion of Existing Warehouse/Office Building Into
Commercial Retail and Office Use
Tax Map Key: 2-2-32:24

The Windward Planning Commission at its duly held public hearing on October 2, 2009, voted to approve the above-referenced request for a Special Management Area (SMA) Use Permit to allow the conversion of portions of the existing buildings for a mixture of warehouse, office, and retail-related uses. The property is located at the northeastern corner of the Kalanikoa Street-Kuawa Street intersection, Waiākea, South Hilo, Hawai'i.

Approval of this request is based on the following:

The applicant requests a Special Management Area Use Permit to convert portions of the existing warehouse structure into office and/or retail spaces. The applicant has no plans to construct a new building on the site. Instead, improvements will be limited to landscaping and interior renovations. Because this property is located in the Special Management Area, the applicant requests a concurrent Change of Zone from Limited Industrial 20,000 square feet (ML-20) to Industrial-Commercial Mixed 20,000 square feet (MCX-20) for approximately 52,457 square feet of land to allow the proposed development.

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 the SMA are necessary to avoid permanent loss of valuable resources and the foreclosure of management options, and to insure that adequate public access is provided to public-owned or used beaches, recreation areas, and natural reserves, by dedication or other means. The grounds for approving an SMA permit are based upon the following criteria:

The proposed development will not have any substantial 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 property is located on the northeast corner of Kalanikoa Street and Kuawa Street, site of Thy Word Ministries. The Waiākea Kai Shopping Center is adjacent to the property to the east, towards Highway 11. There are two structures on the site; one approximately 21,989 square feet presently used as a warehouse and housing the church, warehouse space, the office of the Research Corporation of the University of Hawai‘i, and the applicant’s office. The approximately 500 square foot smaller structure was formerly used for painting, but is currently vacant. The parking area is paved, and landscaping forms the boundary along Kalanikoa Street.

The project site is located over one mile from the shoreline. The distance from the project site to the shoreline would preclude any substantial adverse impacts the proposed development may have upon coastal recreational and visual resources, public access to and along the shoreline, or upon the coastal ecosystem. The property is connected to the County sewerline. Any potential runoff or discharge which could reach ocean waters can be handled by on-site improvements provided in accordance with existing County regulations. Likewise, any impacts from soil erosion and runoff during renovation can be adequately mitigated through compliance with existing County erosion and sedimentation control regulations as well as standard construction practices.

The proposed development will not create significant adverse impacts upon nearby and adjacent properties. The land uses in the immediate area are a mix of commercial and industrial uses. Hilo International Airport is zoned ML-20 and located east/southeast of the property. Commercial and/or industrial uses nearby include warehousing, aviation related uses, and office buildings. A Volvo dealership is located adjacent to the property to the east and zoned CN-10. Ken's House of Pancakes is located diagonally of the property to the north and zoned CN-10. The property to the east is zoned MCX-20, site of the Waiākea Kai Shopping Plaza. The property across Kuawa Street to the south is zoned MCX-20 and is vacant. Properties to the southwest are zoned ML-20, and includes a storage facility. A bar and a commercial complex are located southeast of the site and zoned MCX-20.

Short-term air quality impacts are also expected, however these impacts will be mitigated through the utilization of best management practices as outlined in a dust control plan. All development-generated runoff will be disposed of on-site and will not be directed toward any adjacent properties. The project site is located within an area

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adequately served with essential services and facilities such as water, sewer, transportation systems and other utilities.

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. As the site is fully developed, no professional surveys were conducted of the site. The applicant has stated that should any archaeological features or sites be discovered during the development of this project, work will immediately cease and the applicant will notify the Planning Department. By letter dated July 23, 2009, the applicant has requested a letter of "no effect" from the Department of Land and Natural Resources Historic Preservation Division. Likewise, no professional surveys were conducted of the site. Since the property is fully developed, no rare or endangered floral or faunal resources are expected to be found on the site. As the property is fully developed, 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 in the area.

The proposed project should not directly impact air quality in the area. Fugitive dust during construction can be mitigated by compliance with the Department of Health's regulations. The only impact to air quality would be associated with vehicular traffic to and from the site. Given the limited nature of the improvements, no long term air and noise quality impacts are anticipated.

As the site is already fully developed, the project will not affect the line-of-sight toward the ocean. The project is not noted as an area of natural beauty in the General Plan. Therefore, the proposed development will not adversely impact any coastal scenic or open space resources.

Due to its distance from the shoreline, the project site is not situated within an area that may be impacted by coastal flooding hazards. The project site is located in Zone "X", areas outside of the 500-year flood plain. The Department of Public Works recommends that a drainage study be prepared and a recommended drainage system installed meeting with their approval. The preparation of such a study will be included as a condition of this approval.

The proposed development is consistent with the General Plan, Hilo Community Development Plan (CDP), Zoning Code and other applicable ordinances. The proposed project conforms to the General Plan Land Use Pattern Allocation Guide (LUPAG) Map, which designates this area as Medium Density Urban. This designation allows for village and neighborhood commercial and single family and multiple family residential and related functions (multiple family residential - up to 35 units per acre). The proposed development also complements the goals, policies and standards of the Land Use and Economic elements of the General Plan.

Based on the above findings, the proposed project 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(s), its successor or assigns shall be responsible for complying with all stated conditions of approval.
2. Conversion of portions of the existing warehouse structure into office and/or retail spaces shall be completed within five (5) years from the effective date of the rezoning ordinance. Prior to conversion and/or construction, the applicant, successors or assigns shall secure Final Plan Approval for the proposed development from the Planning Director in accordance with Section 25-2-70, Chapter 25 (Zoning Code), Hawai'i County Code. Plans shall identify all existing and/or proposed structures, paved driveway access and paved 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) and Chapter 25 (Zoning Code), Hawai'i County Code.
3. All development generated runoff shall be disposed of on-site and shall not be directed toward any adjacent properties. A drainage study shall be prepared and submitted to the Department of Public Works prior to the issuance of Final Plan Approval. Any drainage improvements shall be constructed, meeting with the approval of the Department of Public Works prior to the Final Plan Approval.
4. All earthwork and grading shall conform to Chapter 10, Erosion and Sedimentation Control of the Hawai'i County Code.
5. 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- State Historic Preservation Division (DLNR-

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SHPD) shall be immediately notified. Subsequent work shall proceed upon an archaeological clearance from the DLNR-SHPD when it finds that sufficient mitigation measures have been taken.

6. The applicant shall comply with all applicable County, State and Federal laws, rules, regulations and requirements.
7. 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 foregoing conditions not be met or substantially complied with in a timely fashion, the Planning Director may initiate procedures to revoke the permit.

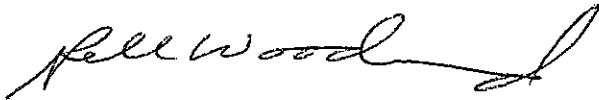
This approval does not, however, sanction the specific plans submitted with the application as they may be subject to change given specific code and regulatory requirements of the affected agencies.

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

Sincerely,

A handwritten signature in cursive script that reads "Rell Woodward". The signature is written in black ink and is positioned above the typed name.

Rell Woodward, Chairman
Windward Planning Commission

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cc: Department of Public Works
Department of Water Supply
County Real Property Tax Division
Department of Land and Natural Resources/HPD
Ms. Alice Kawaha
Zoning Inspector-Hilo
Plan Approval Section
Mr. Gilbert Bailado ✓
American Trading Co., Inc.