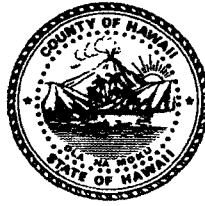


William P. Kenoi
Mayor



Duane Kanuha
Director

Bobby Command
Deputy Director

West Hawai'i Office
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County of Hawai'i
PLANNING DEPARTMENT

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

April 29, 2015

Ms. Connie Kiri
195 Makani Circle
Hilo, HI 96720

Dear Ms. Kiri:

**SUBJECT: Special Management Area Use Permit Assessment Application
(SAA-15-001266)**

Special Management Area Minor Permit (SMM-15-000331)

Applicant(s): KP Holdings, LLC

Land Owner(s): KP Holdings, LLC

Request: Establish a Snack Stand

Tax Map Key: (3) 5-2-001:002; Makanikahio 2nd, North Kohala, Hawai'i

We have reviewed the subject Special Management Area Use Permit Assessment Application (SAA 15-001266) submitted on March 4, 2015. The applicant proposes the establishment of a snack stand within existing agricultural buildings. One standard parking stall and one paved, striped, and signed ADA parking stall will be provided on site. In addition, two additional portapotties will be brought in for the snack stand employee(s) and its customers.

The subject parcel consists of 28.236 acres and is zoned Agricultural (A-20a) by the County of Hawai'i. It is designated Agricultural and Conservation by the State Land Use Commission; the project area is proposed within the Agricultural district. The Hawai'i County General Plan Land Use Pattern Allocation Guide (LUPAG) Map designates the parcel as Important Agricultural Land and Open. The parcel is located entirely within the Special Management Area (SMA); however, the project area is not located in a "shoreline area" as defined by Hawai'i Revised Statutes (HRS) Chapter 205A-41.

Special Management Area Determination:

According to Chapter 205A-22, Hawai'i Revised Statutes (HRS), and Planning Commission (PC) Rule No. 9-4 (e) (1) (C), "Development" means "*Change in the intensity of use of land, including but not limited to the division or subdivision of land.*" The establishment of a snack stand is considered a change in use from the agricultural use formerly associated with the Kohala Ditch Company's mule station and is therefore considered to be development and will require a review against the Special Management Area rules and regulations.

Ms. Connie Kiriu
April 29, 2015
Page 2

For this reason, and pursuant to Planning Commission Rule Section 9-10(e), Special Management Area Minor Permit No.15-000331 is hereby issued for the SMA approval of the establishment of a snack stand within existing agricultural buildings and related improvements. It is the applicant's responsibility to read and comply with the conditions listed in the enclosed permit.

If you have questions, please feel free to contact Bethany Morrison of this department at (808) 961-8138.

Sincerely,



DUANE KANUHA
Planning Director

BJM:cs

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Enclosures: SMM No.: 15-000331
DPW Memorandum dated March 30, 2015
Agricultural-Based Commercial Operation Certification form

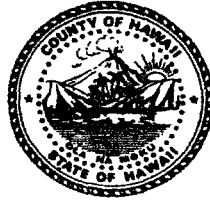
cc w/Encls.: Long Range Planning
Planning Division
Kona Planning Office

State of Hawai'i, Department of Transportation
Ali'i'aimoku Building
869 Punchbowl Street
Honolulu, HI 96813

Mr. Masahiro Kume, President
KP Holdings, LLC
P.O. Box 249
Hawi, HI 96719

cc ltr. only: Mr. Leo Asuncion, Acting Director
Office of Planning, DBEDT
State of Hawaii Department of Business, Economic
Development & Tourism
P.O. Box 2359
Honolulu, HI 96804-2359

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County of Hawai'i

PLANNING DEPARTMENT

Special Management Area Minor Permit No. 15-000331

Project: Establish a Snack Stand
Applicant: KP Holdings, LLC
Landowner: KP Holdings, LLC
Location: Makanikahio 2nd, North Kohala, Hawai'i
TMK: (3) 5-2-001:002 **Land Area:** 28.236 acres

Applicant's Request

1. Project Description:

The applicant proposes the establishment of a snack stand within existing agricultural buildings. One standard parking stall and one paved, striped, and signed ADA parking stall will be provided on site. In addition, two additional porta-potties will be brought in for the snack stand employee(s) and its customers.

2. Purpose of Project:

The purpose of the proposed improvements is to establish a snack stand within the former tack house of the Kohala Ditch Company's mule station. The snack stand will sell agricultural and value-added products, in accordance with Hawai'i Revised Statutes (HRS) Chapter 205-2(D)(15), as a walk-up service to visitors parking at the nearby Pololū Valley lookout.

3. Project Valuation: \$10,000.

4. Determination:

According to Chapter 205A-22, Hawai'i Revised Statutes (HRS), and Planning Commission (PC) Rule No. 9-4 (e) (1) (C), "Development" means "*Change in the intensity of use of land, including but not limited to the division or subdivision of land.*" The establishment of a snack stand is considered a change in use from the agricultural use formerly associated with the Kohala Ditch Company's mule station and is therefore considered to be development and requires an SMA Minor Permit.

State and County Plans

- 1. State Land Use District:** The parcel is located in the State Land Use Agricultural and Conservation district; the project area is proposed within the Agricultural district
- 2. General Plan:** The parcel is designated as Important Agricultural land and Open by the Hawai'i County General Plan Land Use Pattern Allocation Guide (LUPAG) Map.
- 3. County Zoning:** The parcel is zoned Agricultural (A-20a) by the County of Hawai'i.

4. **Special Management Area:** The subject property is located entirely within the SMA, but the project area is not located in a "shoreline area" as defined by Section 205A-41, Hawai'i Revised Statutes (HRS).

5. **Flood Zone:** X.

<p align="center">Compliance with Objectives and Policies of Chapter 205A, Hawai'i Revised Statutes (HRS), Regarding the Special Management Area</p>

Check all objectives and policies found to be consistent with proposed development. Issuance of SMA Minor Permit requires that activity be consistent with all objectives & policies.

The proposed development is consistent with the following objectives and policies:

- ☒ 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 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 the elimination of planning options.
- ☒ The proposed development is consistent with the Hawai'i County General Plan and the Zoning Code.
- ☒ The proposed development does not conflict with the following objectives of Chapter 205A, HRS, to:
 - ☒ Provide coastal recreational opportunities accessible to the public.
 - ☒ Protect, preserve, and where desirable, restore those natural and man-made historic and pre-historic resources in the coastal zone management area that are significant in Hawaiian and American history and culture.
 - ☒ Protect, preserve, and where desirable, restore or improve the quality of coastal scenic and open space resources.
 - ☒ Protect valuable coastal ecosystems from disruption and minimize adverse impacts on all coastal ecosystems.
 - ☒ Provide public or private facilities and improvements important to the State's economy in suitable locations.
 - ☒ Reduce hazard to life and property from tsunamis, storm waves, stream flooding, erosion, subsidence and pollution.
 - ☒ Improve the development review process, communication, and public participation in the management of coastal resources and hazards.
 - ☒ Stimulate public awareness, education, and participation in coastal management.
 - ☒ Protect beaches for public use and recreation.
 - ☒ Promote the protection, use, and development of marine and coastal resources to assure their sustainability.

- ☒ The proposed development is consistent with the following policies of Chapter 205A, HRS, relating to:
- ☒ Recreational Resources
 - ☒ Historic Resources
 - ☒ Scenic and Open Space Resources
 - ☒ Coastal Ecosystems
 - ☒ Economic Uses
 - ☒ Coastal Hazards
 - ☒ Managing Development
 - ☒ Public Participation
 - ☒ Beach Protection
 - ☒ Marine Resources
- ☒ The proposed development conforms to the requirements of Chapter 343, HRS, regarding Environmental Impact Statements.

Findings

As discussed above, 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 proposed development is consistent with the objectives, policies, and SMA guidelines of Chapter 205A, HRS.

The estimated project cost of \$10,000 is not in excess of \$500,000.

The enclosed Department of Public Works, Engineering Division memorandum dated March 30, 2015, states the following:

"We reviewed the subject application and our comments are as follows:

We have determined that the subject project is located within Flood Zone "X" according to the Flood Insurance Rate Map (FIRM) by the Federal Emergency Management Agency (FEMA). No regulatory issues are anticipated under Chapter 27 of Hawai'i County Code."

Pursuant to Planning Commission Rule Section 9-10(e), **Special Management Area Minor Permit No. 15-000331** is hereby approved for the establishment of a snack stand within existing agricultural buildings and related improvements on the subject parcel subject to the applicant's compliance with the conditions of approval as specified below.

Conditions of Approval


The Planning Director has approved **SMA Minor Permit No. 15-000331**, subject to the following conditions:

1. The applicant, its successors or assigns shall be responsible for complying with all stated conditions of approval.
2. The applicant shall secure all necessary approvals and permits from other affected federal, state, and county agencies as necessary to comply with all applicable laws and regulations.
3. The applicant shall submit the enclosed Agricultural-Based Commercial Operation Certification to the Planning Department prior to establishment or operation of the snack stand. All construction activities in connection with this project shall be completed within two (2) years from the date of Agricultural-Based Commercial Operation Certification.
4. According to the photographs submitted with the subject application, a driveway off of Akoni Pule Highway is intended to provide access to the proposed location of the snack stand. Prior to establishment or operation of the snack stand, written approval from the State of Hawai'i, Department of Transportation (DOT) will be required for the use of the existing or any additional driveway access in connection with the new proposed use. A copy of the DOT letter approving the Akoni Pule Highway access driveway location shall be submitted to the Planning Department no later than 1 year from the date of this permit.
5. Any portable toilet facility placed on the property shall be maintained in good working condition by a company that is registered as a wastewater and wastewater sludge pumper and hauler with the State of Hawai'i Department of Health.
6. In support of Hawai'i County's Zero Waste goal, and due to the snack stand's location within the SMA, only biodegradable food-service items shall be distributed with food or beverage products sold at the snack stand. No plastic bags, plastic utensils, Styrofoam® (expanded polystyrene), or other non-biodegradable material shall be distributed at the establishment.
7. A minimum of two garbage cans with fitted covers will be set up near the snack stand for the disposal of waste. If canned or bottled beverages are to be sold at the snack stand, a recycling receptacle shall be provided nearby. The applicant and/or lessee will be responsible for daily maintenance of garbage and recycling receptacles to encourage their use.
8. Any further development or changes of use, including but not limited to, the construction of structures of any type shall require further review and approval as provided under Chapter 205A, HRS, and Rule 9, Planning Commission Rules of Practice and Procedure.

9. Discovery of any unidentified sites or remains, such as artifacts, shell, bone or charcoal deposits, human burials, rock or coral alignments, pavings or walls will require that all work in the immediate area shall cease. The Planning Director shall be immediately notified. Work may proceed with an archaeological clearance from the Planning Director. The archaeological clearance requires a finding that sufficient mitigative measures are taken for the discovery; with written guidance from the State Historic Preservation Division of the Department of Land and Natural Resources.
10. An extension of time for the performance of the conditions contained herein 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 original reasons for the granting of the permit; and
 - c) The time extension granted shall be for a period of not to exceed the period originally granted for performance (i.e., a condition to be performed within one year may be extended up to one additional year).
11. Should any of the conditions not be met or substantially complied with in a timely fashion, the Planning Director shall initiate procedures to revoke the permit.

If you have questions, please feel free to contact Bethany Morrison of this department at (808) 961-8138.

APPROVED:


DUANE KANUHA
Planning Director

APR 29 2015

Date