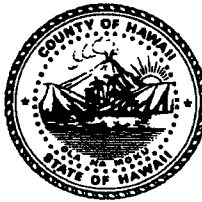


Harry Kim
Mayor

Wil Okabe
Managing Director

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County of Hawai'i
PLANNING DEPARTMENT

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February 27, 2019

Mr. William McCowatt
75-5699 Ali'i Drive, #204
Kailua-Kona, HI 96740

Dear Mr. McCowatt:

**SUBJECT: Special Management Area (SMA) Use Permit Assessment Application
(SAA-18-001645)
Special Management Area (SMA) Minor Use Permit (SMM-19-000408)
Applicant(s): Everell R. and Cheryl L. Thayer
Land Owner(s): Everell R. and Cheryl L. Thayer
Project: Expansion of Hilo Bay Oceanfront Bed and Breakfast
TMK: (3) 2-6-001:013; South Hilo District, Island of Hawai'i**

We have reviewed the subject Special Management Area Use Permit Assessment Application (SAA-18-001645), submitted on January 31, 2019. Additional information requested by the Planning Department was submitted on February 14, 2019.

The applicants propose the following activities:

1. Demolition of an existing 600 square foot (sq. ft.) building, and the replacement with a 800 sq. ft. building located outside the property line setback;
2. Exterior and interior renovation of an existing two (2) story building that contains 414 sq. ft. of living area (upstairs) and a 414 sq. ft. carport (downstairs);
3. Interior renovations and conversion of a portion of the living area to sleeping quarters in the existing main building;
4. Construction of a new 37-foot by 21-foot pool and associated decking adjacent to the main structure; and
5. Construction of a new parking area for the property.

The subject parcel is 0.668 acres and is zoned Resort-Hotel (V-.75) by the County of Hawai'i and is designated State Land Use (SLU) Urban District by the State of Hawai'i. According to the County of Hawai'i General Plan 2005 (as amended) Land Use Pattern Allocation Guide (LUPAG) map, the subject parcel is zoned as Open Area (ope).

The entire parcel is located within the Special Management Area (SMA) with a portion of the parcel located within the "shoreline area" as defined by section 205A-41, Hawai'i Revised Statutes (HRS).

FEB 27 2019

While a portion of the parcel is located in the "shoreline area," the requirement to submit a current Certified Shoreline survey was waived by the Director of the Planning Department for the above-listed proposed activities.


Special Management Area Determination:

According to Chapter 205A-22, Hawai'i Revised Statutes (HRS), and Planning Commission (PC) Rule No. 9-4 (e)(1)(E) relating to Special Management Area (SMA), "*construction, reconstruction, demolition or alteration of the size of any structure,*" the "*change in the density or intensity of use of land,*" and the "*change in the intensity of use of water, ecology related thereto, or of access thereto*" is defined as "development." Therefore, the proposed expansion of an existing Bed and Breakfast and the construction of a new pool and parking area is considered "development" and requires a review against the SMA rules and regulations and requires an SMA Minor Permit.

We find that the proposed actions will not have a cumulative impact or a significant adverse environmental or ecological effect on the SMA. Therefore, pursuant to Planning Commission Rule Section 9-10(e), Special Management Area, Minor Permit No. SMM-19-000408, is hereby issued for the project as described above. It is the applicant's responsibility to read and comply with the conditions listed in the enclosed permit.

If you have any questions, please contact Alex J. Roy, M.Sc. of this office at (808) 961-8140.

Sincerely,


Fol MICHAEL YEE
Planning Director

AJR:jaa

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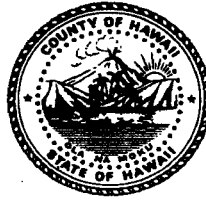
Enclosures: SMM-19-000408

cc w/Encls.: Administrative Permits Division (*via email*)

M/M Everell & Cheryl Thayer
56 Pukihae St.
Hilo, HI 96720-7400

cc ltr. only: Mr. Leo Asuncion, Director
Office of Planning, DBEDT
P.O. Box 2359
Honolulu, HI 96804-2359

Harry Kim
Mayor



Michael Yee
Director

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Special Management Area Minor Permit No. 19-000408

Project: Expansion of Hilo Bay Oceanfront Bed and Breakfast
Applicant(s): Everell R. and Cheryl L. Thayer
Owner(s): Everell R. and Cheryl L. Thayer
Location: 56 Pukihae St., Hilo, HI 96720-7400
TMK: (3) 2-6-001:013 **Land Area:** 0.668 acres

Applicant's Request

1. Project Description:

The applicants are proposing the following activities:

- a) Demolition of an existing 600 square foot (sq. ft.) building; and the replacement with a 800 sq. ft. building located outside the property line setback;
- b) Exterior and interior renovation of an existing two (2) story building that contains 414 sq. ft. of living area (upstairs) and a 414 sq. ft. carport (downstairs);
- c) Interior renovations and conversion of a portion of the living area to sleeping quarters in the existing main building;
- d) Construction of a new 37-foot by 21-foot pool and associated decking adjacent to the main structure; and
- e) Construction of a new parking area for the property.

- 2. Purpose of Project:** The objective of the proposed project is to expand the existing development that includes a working Bed and Breakfast. A secondary objective is to bring the structures into compliance with current regulations, as well as updating plumbing and electric, and removing hazards located on the property.

- 3. Project Valuation:** \$370,000

- 4. Determination:** According to Chapter 205A-22, Hawai'i Revised Statutes (HRS), and Planning Commission (PC) Rule No. 9-4 (e)(1)(A) and (B) relating to Special Management Area (SMA): "Placement or erection of any solid material or any gaseous, liquid, solid, or thermal waste," and "grading, removing, dredging, mining, or extraction of any materials" is defined as "development." Therefore, the proposed expansion of an existing Bed and Breakfast on the subject property is considered "development" and requires a review against the Special Management Area rules and regulations and requires an SMA Minor Permit.

State and County Plans

- 1. State Land Use District:** The parcel is designated Urban by the State Land Use Commission.

2. **General Plan:** The parcel is designated as Open Area (ope) by the Hawai'i County General Plan Land Use Pattern Allocation Guide (LUPAG) Map.
3. **County Zoning:** The parcel is zoned Hotel-Resort (V-.75)
4. **Special Management Area:** The subject parcel is located in the SMA; a portion of the proposed project is located within the "shoreline area" as defined by Section 205A-41, Hawai'i Revised Statutes (HRS).
5. **Flood Zone:** Zone X (Area of minimal flood hazard)

| |
|--|
| <p style="text-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 tsunami, 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

1. 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.
2. The proposed development is consistent with the objectives, policies, and SMA guidelines of Chapter 205A, HRS.
3. The estimated project cost of \$370,000 for upgrades, improvements, and replacement of existing structures is not in excess of \$500,000.

Approved Uses, Activities and Operations

Pursuant to Planning Commission Rule Section 9-10(e), **Special Management Area Minor Permit No. SMM-19-000408** is hereby approved to:

1. Demolish an existing 600 square foot (sq. ft.) building, and replace it with an 800 sq. ft. building located outside the property line setback;
2. Renovate an existing two (2) story building that contains 414 sq. ft. of living area (upstairs) and a 414 sq. ft. carport (downstairs);
3. Conduct interior renovations and conversion of a portion of the living area to sleeping quarters in the existing main building;
4. Construct a new 37-foot by 21-foot pool and associated decking; and
5. Construct a new parking area for the property.

Conditions of Approval

The Planning Director has approved SMA Minor Permit No. SMM-19-000408, subject to the following conditions:

1. The applicants, their successors or assigns shall be responsible for complying with all stated conditions of approval.

2. The applicants 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. All construction shall comply with Chapter 27, Floodplain Management, of the Hawai'i County Code.
4. Best Management Practices (BMP) must be followed to ensure the grounds surrounding the project area are kept clear of any rubbish or debris resulting from the construction activities at all times.
5. Any further uses, activities or operations proposed for the subject property shall require further review and approval as provided under HRS Chapter 205A, and Rule 9 of Planning Commission Rules of Practice and Procedure.
6. In the unlikely event that subsurface historic resources, including human skeletal remains, structural remains, cultural deposits, sand deposits, or sink holes are identified during the demolition and/or construction work, cease work in the immediate vicinity of the find, protect the find from additional disturbance, and contact the State Historic Preservation Division (DLNR-SHPD) at (808) 933-7651. The applicant shall also notify the Planning Department immediately after contacting the DLNR-SHPD.
7. 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).
8. 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 any questions, please feel free to contact Alex J. Roy. M.Sc. at (808) 961-8140.

APPROVED:

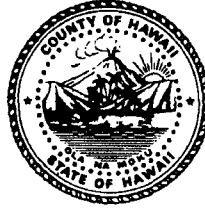


RY
MICHAEL YEE
Planning Director



Date

Harry Kim
Mayor



Michael Yee
Director

Duane Kanuha
Deputy Director

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Fax (808) 961-8742

Special Management Area Minor Permit No. 19-000408 (Revised)

Project: Expansion of Hilo Bay Oceanfront Bed and Breakfast
Applicant(s): Everell R. and Cheryl L. Thayer
Owner(s): Everell R. and Cheryl L. Thayer
Location: 56 Pukihae St., Hilo, HI 96720-7400
TMK: (3) 2-6-001:013 **Land Area:** 0.668 acres

Applicants' Request

1. Project Description:

The applicants are proposing the following activities:

- a) Demolition of an existing 600 square foot (sq. ft.) building; and the replacement with a 800 sq. ft. building located outside the property line setback;
- b) Exterior and interior renovation of an existing two (2) story building that contains 414 sq. ft. of living area (upstairs) and a 414 sq. ft. carport (downstairs), which a portion is within the setback;
- c) Interior renovations and conversion of a portion of the living area to sleeping quarters in the existing main building, which is considered non-conforming relative to the shoreline setback;
- d) Construction of a new 37-foot by 21-foot pool and associated decking adjacent to the main structure; and
- e) Construction of a new parking area for the property.

- 2. Purpose of Project:** The objective of the proposed project is to expand the existing development that includes a working Bed and Breakfast. A secondary objective is to bring the structures into compliance with current regulations, as well as updating plumbing and electric, and removing hazards located on the property.

- 3. Project Valuation:** \$370,000

- 4. Determination:** According to Chapter 205A-22, Hawai'i Revised Statutes (HRS), and Planning Commission (PC) Rule No. 9-4 (e)(1)(A) and (B) relating to Special Management Area (SMA): "Placement or erection of any solid material or any gaseous, liquid, solid, or thermal waste," and "grading, removing, dredging, mining, or extraction of any materials" is defined as "development." Therefore, the proposed expansion of an existing Bed and Breakfast on the subject property is considered "development" and requires a review against the Special Management Area rules and regulations and requires an SMA Minor Permit.

State and County Plans

1. **State Land Use District:** The parcel is designated Urban by the State Land Use Commission.
2. **General Plan:** The parcel is designated as Open Area (ope) by the Hawai'i County General Plan Land Use Pattern Allocation Guide (LUPAG) Map.
3. **County Zoning:** The parcel is zoned Hotel-Resort (V-.75)
4. **Special Management Area:** The subject parcel is located in the SMA; a portion of the proposed project is located within the "shoreline area" as defined by Section 205A-41, Hawai'i Revised Statutes (HRS).
5. **Flood Zone:** Zone X (Area of minimal flood hazard)

Compliance with Objectives and Policies of Chapter 205A, Hawai'i Revised Statutes (HRS), Regarding the Special Management Area

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

1. 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.
2. The proposed development is consistent with the objectives, policies, and SMA guidelines of Chapter 205A, HRS.
3. The estimated project cost of \$370,000 for upgrades, improvements, and replacement of existing structures is not in excess of \$500,000.

Approved Uses, Activities and Operations

Pursuant to Planning Commission Rule Section 9-10(e), **Special Management Area Minor Permit No. SMM-19-000408 (Revised)** is hereby approved to:

1. Demolish an existing 600 square foot (sq. ft.) building, and replace it with an 800 sq. ft. building located outside the property line setback;
2. Renovate an existing two (2) story building that contains 414 sq. ft. of living area (upstairs) and a 414 sq. ft. carport (downstairs), ;
3. Conduct interior renovations and conversion of a portion of the living area to sleeping quarters in the existing main building;
4. Construct a new 37-foot by 21-foot pool and associated decking; and
5. Construct a new parking area for the property.

Conditions of Approval

The Planning Director has approved **SMA Minor Permit No. SMM-19-000408 (Revised)**, subject to the following conditions:

1. The applicants, their successors or assigns shall be responsible for complying with all stated conditions of approval.
2. The applicants 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. Construction of the proposed development shall be completed within three (3) years from the effective date of this permit. Prior to construction, the applicants, 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), 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).
4. The applicants shall either remove portions of the two-story structure located near the entrance of the property out of the setback area or receive approval of a setback variance for the encroachment.
5. For the main structure located near the cliff area, the applicants shall comply with the Zoning Code, Sections 25-4-60 to 65.1 (Nonconforming Uses and Buildings), mainly that the work shall not exceed twenty-five percent of the current replacement value of such building, in any one calendar year as determined by the Department of Public Works.
6. All construction shall comply with Chapter 27, Floodplain Management, of the Hawai'i County Code.
7. Best Management Practices (BMP) must be followed to ensure the grounds surrounding the project area are kept clear of any rubbish or debris resulting from the construction activities at all times.
8. Any further uses, activities or operations proposed for the subject property shall require further review and approval as provided under HRS Chapter 205A, and Rule 9 of Planning Commission Rules of Practice and Procedure.
9. In the unlikely event that subsurface historic resources, including human skeletal remains, structural remains, cultural deposits, sand deposits, or sink holes are identified during the demolition and/or construction work, cease work in the immediate vicinity of the find, protect the find from additional disturbance, and contact the State Historic Preservation Division (DLNR-SHPD) at (808) 933-7651. The applicants shall also notify the Planning Department immediately after contacting the DLNR-SHPD.
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 applicants, 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).

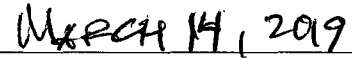
11. Should any of the conditions not be met or substantially complied with in a timely fashion, the Planning Director shall initiate procedures to revoke the permit.

If you have any questions, please feel free to contact Alex J. Roy. M.Sc. at (808) 961-8140.

APPROVED:



MICHAEL YEE
Planning Director



Date