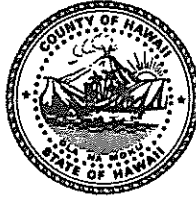


Stephen K. Yamashiro
Mayor



County of Hawaii

PLANNING COMMISSION

25 Aupuni Street, Room 109 • Hilo, Hawaii 96720-4252
(808) 961-8288 • Fax (808) 961-9615

CERTIFIED MAIL

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JUN 26 1998

Steven S. C. Lim, Esq.
Carlsmith Ball Wichman Case & Ichiki
121 Waiianuenue Avenue
Hilo, HI 96720

Dear Mr. Lim:

Special Permit Application (SPP 98-7)
Applicant: Robert and Marge Pillion
Request: Establish a 4-Bedroom Bed and Breakfast Operation
on a Single Family Dwelling
Tax Map Key: 7-6-4:29

The Planning Commission at its duly held public hearing on June 19, 1998, voted to approve the above-referenced application. Special Permit No. 1001 is hereby issued to establish a 4-bedroom bed and breakfast operation within an existing dwelling situated on approximately 2.984 acres of land in the State Land Use Agricultural District. The property is located in Holualoa Homesteads, approximately 2,000 feet east (mauka) of Mamalahoa Highway, Holualoa 1st and 2nd, North Kona, Hawaii.

Approval of this request is based on the following:

Such use is not contrary to the objectives sought to be accomplished by the land use law and regulations. The granting of this request would promote the effectiveness and objectives of Chapter 205, Hawaii Revised Statutes, as amended. The State Land Use Law and Regulations are intended to preserve, protect and encourage the development of lands in the State for those uses to which they are best suited in the interest of the public health and welfare of the people of the State of Hawaii. In the case of the Agricultural District, the intent is to preserve or keep lands of high agricultural potential in agricultural use. The proposed project will be located within an area whose soils are classified as "C" or "Fair" by the Land Study Bureau's Overall Master Productivity Rating and classified "Other Important Agricultural Lands" by the Department of Agriculture's ALISH Map.

In recognizing that lands within agricultural districts might not be best suited for agricultural activities and yet classified as such, and in recognition that certain types of uses might not be strictly agricultural in nature, yet reasonable in such districts, the

JUN 26 1998

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legislature has provided for the Special Permit process to allow certain unusual and reasonable uses within the Agricultural district.

The subject property is situated within the County's Agricultural-1 acre zoned district. The proposed bed and breakfast facility is situated on a 2.984 acre parcel of land. The proposed use will not take significant lands out of the agricultural inventory for this area and will not significantly affect the agricultural resource of the area. The proposed use will be confined within the existing dwelling and its immediate vicinity. The subject property is presently being used for domestic fruit and nut trees, flowering trees, shrubs and coffee trees. No active agricultural lands will be taken out of production to provide the area necessary to establish this use.

The approval of the subject request would not be contrary to the objectives of the State Land Use Law Rules and Regulations given the above-referenced subject conditions. The proposed use would not displace agricultural activity nor diminish the agricultural potential of the area since this parcel has been in agricultural use in years.

The request is not contrary to the General Plan. The subject request is not contrary to the General Plan LUPAG Map, which designates the property as Low Density Urban which allows for agricultural uses. The proposed use is consistent with the following goals and policies of the General Plan:

Land Use Element

- * Designate and allocate land areas in appropriate proportions and mix and in keeping with the social, cultural, and physical environments of the County.
- * The County shall encourage the development and maintenance of communities meeting the needs of its residents in balance with the physical and social environment.

Economic Element

- * Provide residents with opportunities to improve their quality of life.
- * Economic development and improvements shall be in balance with the physical and social environments of the island of Hawaii.
- * The County shall provide an economic environment which allows new, expanded, or improved economic opportunities that are compatible with the County's natural and social environment.
- * The County of Hawaii shall strive for an economic climate which provides its residents an opportunity for choice of occupation.
- * The County of Hawaii shall encourage the development of a visitor industry which is consistent with the social, physical and economic goals of the residents of the County.

The desired use will not adversely affect the surrounding properties. The dwelling is situated on a 2.984 acre parcel. Adjacent lands to the north, south and west are zoned A-1a. Lands to the east known as "Waiono Meadows" are zoned A-1a, A-5a and A-20a. Surrounding uses include residences and vacant lands. There is a private driveway approximately 50 feet in length with a pavement width of 20 feet. There will be four (4) paved parking spaces in addition to the other parking stalls for the existing dwelling, to mitigate any potential noise and dust associated with traffic.

The desired use will not unreasonably burden public agencies to provide roads and streets, sewers, water, drainage, police and fire protection. The site is currently served by water, telephone and electrical utilities. The traffic to be generated by the proposed bed and breakfast facility would be minimal. The applicant shall meet all applicable agency requirements of the Departments of Transportation, Health, Public Works and the Fire Department prior to the establishment of the proposed use.

Unusual conditions, trends and needs have arisen since the district boundaries and regulations were established. Bed and breakfast accommodations are becoming popular type of lodging facility for visitors seeking a more personal experience in Hawaii. A bed and breakfast facility could provide an appropriate scale of service in rural areas which do not offer full hotel services. Provision of such services could satisfy a new trend in visitor demands for an encounter with the less populated areas of the island. Bed and breakfast facilities are allowed in the zoning code by Use Permit which addresses similar impacts.

The use will not substantially alter or change the essential character of the land and the present use. The bed and breakfast use will remain secondary to the existing residential and agricultural uses. No significant improvements are anticipated. Since no restaurant or commercial kitchen facilities are proposed, the bed and breakfast facility is not expected to cause impacts which would significantly alter the character of the land and the present use. A previous Ohana Dwelling Permit issued was voided subsequent to an inspection of the property confirming that a stove was removed from the original ohana duplex located on the first floor. Finally, applicable agencies reviewing the request had no objections to the proposal.

Based on the above considerations, the proposed bed and breakfast is an unusual and reasonable use of land, which would not be contrary to the objectives sought to be accomplished by the Land Use Law and Regulations.

Approval of this request is subject to the following conditions. Should any of these conditions not be met or substantially complied with in a timely fashion, the Director may initiate procedures to revoke this Special Permit.

1. The applicants, successor or assigns shall be responsible for complying with all stated conditions of approval.
2. The bed and breakfast business shall be established within two (2) years from the effective date of this permit. Prior to the establishment of the bed and breakfast business, Final Plan Approval shall be secured from the Planning Director. Plans shall identify existing and proposed structures, driveway, landscaping, fire protection measures, four paved parking stalls (asphalt or

concrete) and exterior sign(s) associated with the business. The applicants, successors or assigns shall notify the Planning Department in writing of the completion of required improvements prior to the establishment of the bed and breakfast business.

3. The bed and breakfast business shall be limited to the use of four (4) bedrooms.
4. No Special Functions: No special functions for a fee (i.e., workshops, weddings, catering preparation or catered parties) shall be allowed at the B&B establishment.
5. Insurance: The applicant shall secure liability insurance covering the B&B operation at all times of operation.
6. The applicant shall ensure that the B&B guests' use of the second floor exterior lanai be prohibited between the following hours:

Monday through Friday	9:00 p.m. - 7:00 a.m.
Saturday	9:00 p.m. - 9:00 a.m.
Sunday	9:00 p.m. - 8:00 a.m.

The applicant may serve the breakfast meal to B&B guests in the enclosed dining room at any time in the morning.

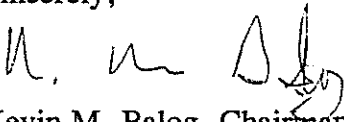
7. A final status report shall be submitted in writing to the Planning Director upon compliance with all conditions of approval.
8. Comply with all applicable laws, rules, regulations, and requirements of other affected agencies, for approval of the proposed use.
9. An initial extension of time for the performance of conditions within the permit may be granted by the Planning Director upon the following circumstances:
 - A. 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 General Plan or Zoning Code.
 - C. Granting of the time extension would not be contrary to the original reasons for the granting of the 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).
10. If the applicant fails to comply with the conditions of approval or is unable to resolve any public complaints, the Planning Director shall investigate and, if necessary, enforce the appropriate conditions. The Planning Director may as

part of any enforcement action refer the matter to the Planning Commission for consideration.

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 Alice Kawaha of the Planning Department at 961-8288 or Royden Yamasato of the Planning Department West Hawaii Office at 327-3510.

Sincerely,



Kevin M. Balog, Chairman
Planning Commission

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cc: Robert and Marge Pillion
Department of Public Works
Department of Water Supply
County Real Property Tax Division
West Hawaii Office
State Land Use Commission
Kazu Hayashida, Director/DOT-Highways, Honolulu