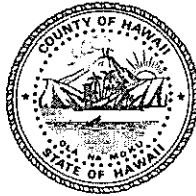


Harry Kim
Mayor



Christopher J. Yuen
Director

Roy R. Takemoto
Deputy Director

County of Hawaii

PLANNING DEPARTMENT

25 Aupuni Street, Room 109 • Hilo, Hawaii 96720-4252
(808) 961-8288 • Fax (808) 961-8742

CERTIFIED MAIL

7000 0600 0024 2903 6786

MAR 15 2002

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

Dear Mr. Fuke:

Special Permit Application (SPP 01-024)
Applicant: Carolyn Cascavilla
Request: Establish a Six-Room Inn
Tax Map Key: 4-6-8:32

The Planning Commission at its duly held public hearing on February 15, 2002, voted to approve the above-referenced application. Special Permit No. 1138 is hereby issued to allow a six-room inn (The Log Cabin) within the existing dwelling situated in the State Land Use Agricultural District. The property is located at the intersection of the Old Mamalahoa Highway and Pu'Aono Road, approximately 3 miles northwest of the Old Mamalahoa Highway and Hawaii Belt Road intersection in Honokaa, Ahualoa Homesteads, Hamakua, Hawaii.

Approval of this request is based on the following:

The applicant proposes to legitimize a 6-bedroom inn that has been operating for years. The applicant has initiated the process of retroactively altering the use of two (2) existing rooms that are currently being used as the fifth and sixth guest bedrooms in the existing dwelling. The original building permit reflects only four (4) bedrooms. Additionally, the applicant is proposing to make necessary alterations to remove the existing second kitchen to comply with the Hawaii County Building Code relating to single-family dwellings.

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The applicant would be required to comply with the Department of Public Works, Building Division requirements relating to converting the single family dwelling to an inn.

The granting of this request would promote the effectiveness and objectives of Chapter 205, Hawaii Revised Statutes (HRS), as amended. The State Land Use Commission was created in 1961; the interim regulations and temporary district boundaries became effective on April 21, 1962; and subsequently the Regulations and Land Use District Boundaries became effective on August 23, 1964. 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 legislature has provided for the Special Permit process to allow certain unusual and reasonable uses within the Agricultural District. The State Land Use Law and Regulations are intended to preserve, protect and encourage the development of lands for those uses to which they are best suited in the interest of the public 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 subject property has not been actively used for agricultural purposes. The property is located in an area with soils classified as Honokaa Soils, which are deep and of moderately fine texture. The Agricultural Lands of Importance to the State of Hawaii (ALISH) Maps identify the subject property as located in the area designated "Other Important Agricultural Lands, with a soil rating of "D" or "Poor". The applicant is requesting to establish a 6-bedroom inn in an existing single-family dwelling on an approximately one-half (1/2) acre property situated within the State Land Use Agricultural District.

Given the non-conforming size of the one-half acre parcel which is zoned Agricultural - 5a and the fact that there is currently no agricultural activities conducted on the parcel, it is not anticipated that any potential agricultural enterprise would be harmed by the proposed use which will be confined to the subject property, and no additional surrounding lands will be affected. Therefore, the proposed use will not displace any agricultural activity nor diminish the agricultural potential of the area. Thus, this request is not contrary to the objectives of the State Land Use Law for the Agricultural District.

The proposed development is consistent with the objectives, policies, and guidelines of the Special Management Area as provided by Chapter 205A, HRS, and Rule No. 9 of the Planning Commission Rules of Practice and Procedure. Given the extensive clearing activities that have taken place and the existing residential use, it is unlikely that any archaeological features and threatened species of plant or animal are present on the property. According to the Planning Department's file, there is no designated public access to the mountain areas or to the shoreline over the subject property. The property is approximately five miles from the coastline. The Flood

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Insurance Rate Map designates the property as Zone "X"; areas determined to be outside the 500-year flood plain. It is not anticipated that the proposed development will adversely impact any archaeological resources, gathering rights, recreational resources, scenic resources, open space, coastal ecosystems, or marine and coastal resources.

Given the minimal nature of the proposed improvements, no significant long-term air and noise quality impacts are anticipated. Access to the property is along the Old Mamalahoa Highway, which is a County maintained roadway.

The desired use will not adversely affect the surrounding properties. Surrounding uses include mostly rural residences and agricultural activities. The adjacent property with a one-bedroom permitted home is also owned by the applicant. It is not expected that the proposed use would create significant adverse impacts to surrounding properties. The property is sufficient in size to accommodate the proposed use, which will be low key with minimal impact. Overall, it is not anticipated that the immediate surrounding parcels would be impacted by the operation of the 6-bedroom inn. In addition, since the commencement of operations, no complaints have been filed with the Planning Department.

The desired use will not unreasonably burden public agencies to provide roads and streets, sewers, water, drainage, school improvements and police and fire protection. The project site is located within an area adequately served with essential services and facilities. The parcel is served by County water and the applicant has expressed willingness to comply with the requirement to install a backflow preventer as required by the Department of Water Supply. There is a cesspool that services the existing dwelling. According to the Department of Health, the project would require an additional cesspool only if the average daily wastewater disposal exceeds 1,000 gallons per day. Therefore, the applicant shall comply with Department of Health requirements relating to wastewater disposal when legitimizing the 6-bedroom inn.

The subject property is located off the Old Mamalahoa Highway, which has a paved surface approximately 20-foot wide. Potential roadway impacts will be minimal since the existing and projected volume of traffic in this area is very low. Therefore, it is anticipated that the proposed use will not result in a significant increase in regional traffic. The available on-site parking provides space for six vehicles as required for six rental units. The parking area and circular driveway have a graveled surface. Finally, no objections were received from the community.

Unusual conditions, trends and needs have arisen since the district boundaries and regulations were established. The use will encourage and promote the visitor industry, largely by catering to a different group of travelers. Accommodations such as bed and breakfasts and inns have become a part of a worldwide trend towards providing

alternative lodging sites in rural and agricultural areas such as this particular location. They are popular for visitors who seek a more localized and authentic experience in a home-type setting. Such a small-scale and residential-related use is consistent with the social and physical character of a rural-agricultural area and will contribute to the economic development of the County. The "Strategic Directions for Hawaii's Visitor Industry" or Tourism Strategic Plan (TSP) prepared by the Hawaii Tourism Authority (June, 1999), forms the basis or foundation upon which Hawaii's future as a visitor destination will be built. This document is a fulfillment of one of the primary responsibilities of the Hawaii Tourism Authority (HTA) established by Act 156 SLH 1998. The TSP contains strategic directions in seven areas, one of which is Product Development. Under Agri Tourism, a subset of Product Development, strategic directions to promote Agri Tourism include:

- Create menus of experiences to make it easier for visitors to purchase agri tourism experiences and products.
- Advocate "Bed & Breakfasts (B&B's) and "Country Inns" on agriculture lands, farms, and ranches.
- "Bundle" agricultural experiences with health, adventure, culture, eco, and edu tourism.

Thus, the request is consistent with the State's strategic directions for Hawaii's visitor industry.

The use will not substantially alter or change the essential character of the land and the present use. The use will be confined to the existing dwelling. The project will be in keeping with the existing character and scale of the surrounding community. The modifications necessary to meet all requirements for a 6-bedroom Inn will neither conflict with nor intensify existing land uses.

The lands upon which the use is sought is suitable for the uses permitted in the district; however, the use will not interfere with permitted uses. The subject property is already improved with a 6-bedroom dwelling, which was originally used as a residence. The property is nicely landscaped and the proposed country inn seems well suited for a district that is largely agricultural and rural. The zoning for the property is Agricultural - 5 acres (A-5a).

The proposed use is consistent with the following goals, policies and standards of the General Plan. The subject parcel falls within an area designated as Intensive Agricultural on the General Plan Land Use Pattern Allocation Guide (LUPAG) Map.

Such designation allows for sugar, orchard, diversified agriculture and floriculture. The zoning for the property is Agricultural-5 acres (A-5a) and the State Land Use designation is Agricultural. The request would complement and be consistent with the following goals, policies and standards of the General Plan:

Land Use Element

- * Designate and allocate land uses in appropriate proportions 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.
- * 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.

Electricity, water, wastewater disposal facilities and other essential services are available for the use.

Based on the above considerations, the request to continue the operation of the 6-bedroom Inn would constitute an unusual and reasonable use of land within the State Land Use Agricultural District, and would not be contrary to the objectives sought to be accomplished by the State Land Use Law Rules 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 permit.

1. The applicant, successors or assigns shall be responsible for complying with all of the stated conditions of approval.
2. The inn shall be limited to the use of six (6) bedrooms.

3. The applicant shall secure and finalize all permits and alterations of the existing dwelling as required by the Department of Public Works, Building Division for operation of a six-bedroom Inn within six (6) months from the effective date of this permit.
4. Signage posted on the subject property shall meet with residential signage requirements.
5. The applicant shall comply with all other applicable laws, rules, regulations and requirements of the affected government agencies for the use of the existing structure as an inn, including the Department of Health.
6. A written final status report shall be submitted to the Planning Director upon compliance with all conditions of approval.
7. 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 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 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).

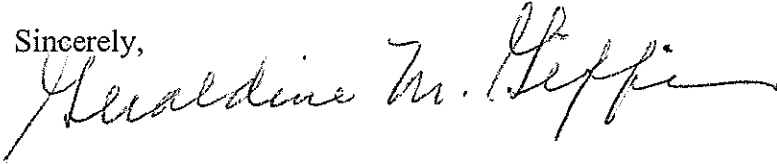
This approval does not, however, sanction the specific plans submitted with the application as they may be subject to change given specific code and regulatory requirements of the affected agencies.

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

Sincerely,

A handwritten signature in cursive script that reads "Geraldine M. Giffin". The signature is written in black ink and is positioned below the word "Sincerely,".

Geraldine M. Giffin, Chairman
Planning Commission

Lcascavilla01PC

cc: Department of Public Works
Department of Water Supply
County Real Property Tax Division
State Land Use Commission
Brian Minaai, Director/DOT-Highways, Honolulu
Ms. Carolyn Cascavilla